

Company Registration No. 09392629 (England and Wales)

THE GOLDEN CHARTER TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2025

THE GOLDEN CHARTER TRUST LIMITED

COMPANY INFORMATION

Directors	David Adam Clare Brady Gareth Howlett Christine Johnson George Locke Myriam Madden Barry Widdows
Company number	09392629
Registered office	C/O Shepherd and Wedderburn LLP 1-6 Lombard Street London England EC3V 9AA
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 2 London Wall Place 123 London Wall London EC2Y 5AU
Solicitors	Shepherd & Wedderburn LLP 9 Haymarket Square Edinburgh EH3 8FY

THE GOLDEN CHARTER TRUST LIMITED

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THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

Introduction

I am pleased to present my statement for the year ended 31 March 2025.

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 comprises the current serving Trustees of the Trust.

The Strategic Report on pages 4 to 9 provides information about Trust Limited only, in compliance with statutory accounting requirements. However, an understanding of the purposes and financial position of the Trust is essential to appreciating Trust Limited's activities and a summary of the Trust's Consolidated Statement of Net Assets follows on page 2.

The purposes of the Trust are to ingather, hold, invest and administer the Trust funds. The Trust makes payments in accordance with a prescribed list set out in FCA regulation. The most significant payments are to the plan provider, Golden Charter Limited, for such sums as are necessary to enable the Trust to meet the invoice costs of the funeral services provider in order that plan holders receive the funerals for which they have paid, and for the withdrawal of surplus as permitted by the FCA. The Trust and Trust Limited are independent of the funeral plan provider. The assets of the Trust and Trust Limited are entirely separate from the assets of Golden Charter Limited. More information can be found at www.goldenchartertrust.co.uk.

Regulation

The FCA commenced regulation of the funeral plan market on 29 July 2022. The plan provider is directly regulated by the FCA. The Golden Charter Trust and Trust Limited are not themselves subject to direct FCA regulation. However, the Trust Deed between Golden Charter Limited and the Trust recognises the FCA rules for trusts used by funeral plan providers.

The FCA rules set out a list of permitted payments from funeral plan trusts. 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 Solvency Assessment Report ("the SAR"), and must be approved by the independent Actuary appointed by the plan provider.

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. The latest Solvency Assessment Report is available on the website of 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.

THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Net assets

The Board considers that the consolidated net asset position of The Golden Charter Trust and The Golden Charter Trust Limited together provide a user of these accounts with useful additional information over and above the audited statutory accounts. The option to consolidate the position of the two entities is not available under UK accounting standards as the Trust's ownership of Trust Limited is classified as an investment portfolio rather than a business. The Board has therefore presented a proforma consolidated statement of net assets below.

The net asset value of the Trust was £1.214 billion in the financial year ended 31 March 2025 (£1.211 billion as at 31 March 2024).

The Golden Charter Trust

Proforma consolidated statement of net assets (unaudited)

As at 31 March 2025

	As at 31 March 2025		As at 31 March 2024	
	£000	£000	£000	£000
Investments				
Managed investments		1,208,098		1,194,483
Non current assets				
Financial assets at fair value		8,464		8,486
Current assets				
Cash at bank	20,268		25,393	
Financial assets at fair value	675		1,036	
Other debtors	3,291		5,635	
	<u>24,234</u>		<u>32,064</u>	
Current liabilities				
Funeral plan maturities	(13,574)		(11,023)	
Other creditors and provisions	(1,510)		(3,082)	
	<u>(15,084)</u>		<u>(14,105)</u>	
Net current assets		9,150		17,959
Taxation				
Deferred taxation		(12,071)		(10,103)
Net assets		<u>1,213,641</u>		<u>1,210,825</u>

THE GOLDEN CHARTER TRUST LIMITED

CHAIRMAN'S STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Going concern

The assessment of the going concern position of Trust Limited is given 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.

Outlook

Our policy of diversifying across several asset classes and managers has been in place for some time and has been effective in mitigating the impact of volatile markets on the value of our investment portfolio.

This has been a year of significant changes on the Board. Three Directors retired by rotation: Gordon Brough, David Kidd and Paul Stevenson. We thank them all for their hard work and their wise counsel. We have appointed three new Directors: David Adam, George Locke and Barry Widdows.

This is my final Chairman's Statement, as I retire by rotation at the end of the current financial year. The Board has appointed Myriam Madden as my successor; she and I will continue to work closely together to ensure a smooth transition.

Gareth Howlett
Chairman

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Background

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.

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").

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.

Governance

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

Certain matters are delegated to various committees, namely the Investment Strategy Group, the Audit and Risk Committee and the Nominations and Remuneration Committee, which make recommendations to the Board.

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

Financial review

The net assets of Trust Limited at the year-end were £898.5m (2024: £871.3m).

The Board expects that our net assets will grow (i) in line with 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 2025 amounted to £1.214 bn (2024: £1.211bn).

The difference between the net assets of the Trust and the net assets of Trust Limited is due primarily to the intercompany loan of £325.7m (2024: £348.6m) from the Trust to Trust Limited, which is shown as a current liability in note 11. 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 2025.

At the year end, Trust Limited held £17.2m in cash (2024: £23.6m). The cash was held for the purposes of repaying £12.2m 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 £27.2m (2024: profit of £52.8m). The fair value net gains in the year were £33.4m (2024: £55.3m).

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.

Realised gains 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 tax charge in respect of FY25 is £1.6m, of which £0.4m was paid to HMRC during the year. The accounts include a provision for corporation tax payable of £1.2m (2024: £2.6m) and a provision for deferred tax of £12.1m (2024: £10.1m).

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Key risks and uncertainties

Trust Limited has a robust risk and 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 19 to the financial statements.

The key risks and their potential impact on Trust Limited are as follows:

- Global economic conditions – significant deterioration of global economic conditions over the longer term adversely affect investment returns.
- 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.
- 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.
- Loss of key personnel - unexpected resignation or departure of a director or key employee impacts on the performance of management functions.
- Business disruption - failure of key systems and controls impact on operational capability.
- Regulatory environment - statutory changes to legal or regulatory frameworks require a fundamental change to the business model.

Investment Report

Principal investment objective

The Trustees' principal investment objective is to invest the assets of the Trust Fund in such a way as to maximise the likelihood that the returns on the assets (net of tax and costs), will be sufficient to meet the anticipated invoice costs of all pre-paid funeral plans for which funds are held in the Trust. In an effort to achieve this, the Trustees' objective is to set a long-term investment strategy that aims to provide increases of CPI on all funeral plans, pay the operating expenses and taxes of the Trust, and maintain a robust funding level after the withdrawal of available surplus.

The Trustees also seek to limit the volatility of the funding position at any given time and this is taken into account when considering the required returns.

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. It has put in place a diversified asset allocation which at the reporting date comprised mandates with nine investment managers to take advantage of investment expertise in different areas. The Board's 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.

Trust Limited has investment management agreements in place with the investment managers that set out guidelines for the underlying investments held by the funds. The ISG on behalf of the board, with the support of its investment advisers, carry out due diligence in advance of appointment of each of the investment managers and on the operation and governance of each of the funds or mandates, and agree appropriate controls. The ISG have meetings with each of the investment managers as necessary, usually on an annual basis.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Investment strategy (continued)

Trust Limited has adopted an Environmental, Social, and Governance (“ESG”) policy of oversight. The ISG, on behalf of the board, has 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.

At the end of the last financial year, the Board approved the divestment of the Baillie Gifford Diversified Growth Fund and the appointment of the M&G Senior Asset Backed Credit Fund. The implementation of the investment into M&G was completed over the year in line with strategic targets.

Additionally, over the year, the Directors made a full redemption from the Federated Hermes Unconstrained Credit Fund. There were a number of factors that contributed to this decision which included fund performance, departure of key individuals and fund size materially reducing. Following analysis and recommendations presented to the ISG by its investment advisers and following an identification and interview process, the TwentyFour Dynamic Bond Fund was chosen to replace the mandate and this was implemented in late 2024.

Investment portfolio

Protection assets are held to closely match the change in existing plan values and as a contractual inflation linkage. Growth assets aim to provide additional investment return over and above inflation in the long term, without any direct link to inflation in the short term. Real assets are also expected to provide investment outperformance, but with a strong link to inflation and so performance is expected to be positive in real terms.

At 31 March 2025, Trust Limited's investment portfolio comprised the following investments:

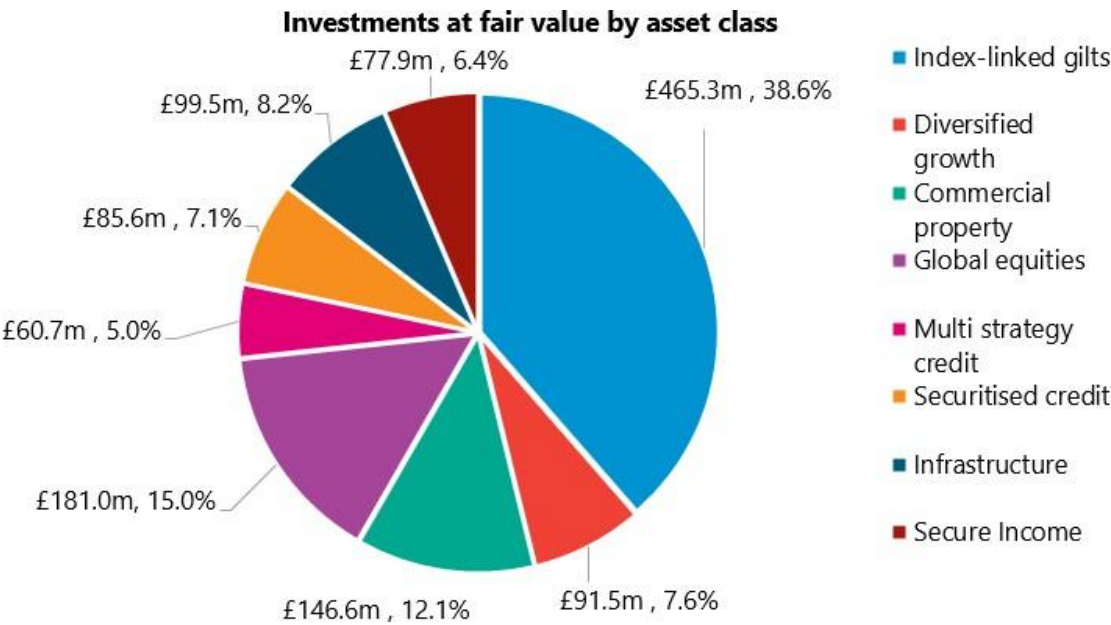
Type of investment	Asset class	Investment value	Percentage of portfolio
Protection	Index-linked gilts	£465.3m	38.6%
Growth	Global equity	£181.0m	15.0%
	Diversified growth (absolute return)	£91.5m	7.6%
	Multi strategy credit	£60.7m	5.0%
	Securitised credit	£85.6m	7.1%
	Secure income	£77.9m	6.4%
Real	Commercial property	£146.6m	12.1%
	Infrastructure	£99.5m	8.2%
Total		£1,208.1m	

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The allocation by asset class at 31 March 2025 is shown in the chart below.



THE GOLDEN CHARTER TRUST LIMITED

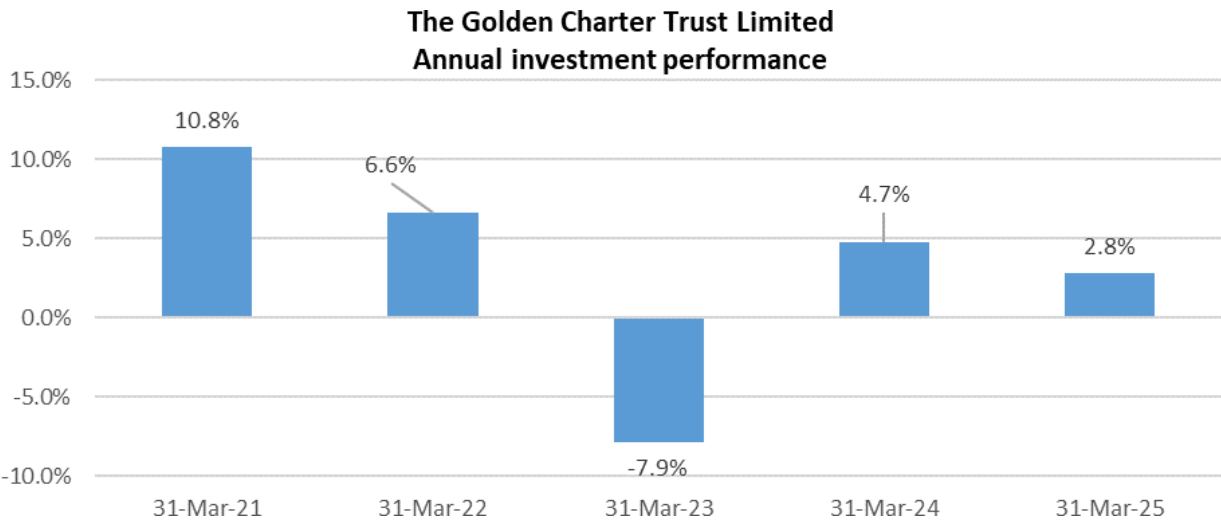
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Investment performance

The performance of the investment managers is measured against specific benchmarks and monitored by our investment advisers and by the ISG. Each month our investment advisers provide the ISG with a statement of the overall performance of the investment portfolio and of the individual underlying managers. A full report is provided each quarter which is used by the Board in their review of investment performance.

Over the year to 31 March 2025, the overall return on the portfolio was approximately 2.8% with circa £35 million received in cash distributions from the invested assets to assist with cashflow. Over the five-year period from 2020, the average return on the Trust’s investment portfolio was 3.2% per annum and over the ten-year period from 2015, it was 3.9% per annum.



In the 12-month period to 31 March 2025, market focus shifted from inflation, which moved closer to the 2% target over much of the period, to the pace of global interest rate cuts. Towards the end of 2024 inflation rose back to 3% in the UK and US, reflecting the significant global geopolitical uncertainty arising from the US election results. Over the year to 31 March 2025, all major central banks loosened monetary policy in response to falling inflation, with the Bank of England reducing the base rate from 5.25% to 4.50%, the European Central Bank reduced its deposit rate from 4.00% to 2.50%, and the Federal Reserve reducing the Federal Funds Rate range from 5.25%-5.50% to 4.25%-4.50%. Close to target inflation, coupled with strong economic growth in the US and falling interest rates helped global equities to rise by 8.0% over the period. The US market, which makes up approximately 65% of the global index, drove most of these gains.

Overall portfolio performance was positive over the year, driven by strong performance from the growth assets and real assets held by the Trust. The portfolio of index-linked gilts, however, suffered over the period as the negative impact from rising real yields led to a fall in the value of the gilt portfolio. Despite rises in yields, the Trust’s credit assets contributed to the positive performance as credit spreads continued to tighten over the period, reaching historic lows. The growth portfolio’s strong performance was driven by equity market rallies over the course of 2024, which was driven by US technology stocks. However, over the first quarter of 2025, global markets began to focus on rising geopolitical uncertainty as the US president took office and details of his tariff policies emerged. This detracted slightly from the high levels of returns experienced in 2024. The multi-asset holding over the year did not manage to keep up with equity performance, given their more defensive positioning and expectation that market volatility would increase. This positioning, however, benefited the Trust in the first quarter of 2025 as it provided diversification benefits during a period of market turmoil. The Real Asset portfolio performed positively over the year, linked to improved interest rate outlooks following the rate cuts in major economies.

THE GOLDEN CHARTER TRUST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Investment governance

The Board sets out guidelines within which the 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 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 our investment advisers are regularly instructed to perform and report on the results of stress testing scenarios.

Over the year, the ongoing appropriateness of the investment strategy is reviewed both at a portfolio and individual mandate level and required changes are made to the strategy and portfolio to respond to emerging or developing risks. The ISG continue 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.

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


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Gareth Howlett

Chairman

Date: 30 June 2025

THE GOLDEN CHARTER TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Directors present their report and the financial statements for the year ended 31 March 2025 for The Golden Charter Trust Limited ("Trust Limited").

Principal activities

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.

The Trust exists for both the planholders who have purchased funeral plans from the plan provider, Golden Charter Limited, and for the funeral directors who have undertaken to carry out the funeral services in accordance with the plan terms and conditions. The Trust's and Trust Limited's assets are entirely separate from and independent of Golden Charter Limited.

Results and dividends

The net profit for the year after taxation was £27.2m (2024: £52.8m).
The net assets at the year-end were £898.5m (2024: £871.3m).

No dividends were paid (2024: £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

David Adam	(Appointed 26 June 2024)
Clare Brady	
Gordon Brough	(Resigned 31 March 2025)
Gareth Howlett	
Christine Johnson	
David Kidd	(Resigned 30 September 2024)
George Locke	(Appointed 30 September 2024)
Myriam Madden	
Paul Stevenson	(Resigned 30 September 2024)
Barry Widdows	(Appointed 26 June 2024)

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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


Gareth Howlett
Chairman

30 June 2025

THE GOLDEN CHARTER TRUST LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

The Directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements 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). 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 of the company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Opinion

We have audited the financial statements of Golden Charter Trust Limited (the 'company') for the year ended 31 March 2025, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 Trust Limited's affairs as at 31 March 2025 and of its profit 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, 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 (CONTINUED)

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the report and financial statements. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, 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 (CONTINUED)

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 of Ireland', the Companies Act 2006 and the Financial Conduct Authority Rules and Code of Practice.
- 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 journals, considered by the engagement team to carry a higher risk of fraud.
 - Assessing the extent of compliance with relevant laws and regulations as part of our procedures on the related financial statement line 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 (CONTINUED)

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
30 June 2025

THE GOLDEN CHARTER TRUST LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Fair value gains on investments	8	33,407	55,327
Fair value gain on financial asset	9	58	564
Operating expenses		(3,644)	(3,689)
Operating profit	5	29,821	52,202
Interest receivable and similar income	2	145	151
Profit before taxation		29,966	52,353
Tax (charge)/credit on profit	7	(2,800)	472
Profit for the financial year	17	27,166	52,825

THE GOLDEN CHARTER TRUST LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2025**

		2025	2024
	Notes	£'000	£'000
Fixed assets			
Investments	8	1,208,098	1,194,483
Financial asset	9	8,464	8,486
		<u>1,216,562</u>	<u>1,202,969</u>
Current assets			
Debtors	10	3,967	6,645
Cash at bank and in hand		17,225	23,555
		<u>21,192</u>	<u>30,200</u>
Creditors: amounts falling due within one year	11	(327,175)	(351,724)
Net current liabilities		<u>(305,983)</u>	<u>(321,524)</u>
Total assets less current liabilities		<u>910,579</u>	<u>881,445</u>
Provisions for liabilities	12	(12,071)	(10,103)
Net assets		<u><u>898,508</u></u>	<u><u>871,342</u></u>
Capital and reserves			
Called up share capital	15	250	250
Share premium account	17	657,136	657,136
Profit and loss reserves	17	241,122	213,956
Total equity		<u><u>898,508</u></u>	<u><u>871,342</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2025 and are signed on its behalf by:



Gareth Howlett
Chairman

THE GOLDEN CHARTER TRUST LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 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
Year ended 31 March 2025:				
Profit and total comprehensive income for the year	-	-	27,166	27,166
Balance at 31 March 2025	250	657,136	241,122	898,508

THE GOLDEN CHARTER TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Cash receipts from investment income		34,927		26,712
Cash paid for operating expenses		(1,550)		(1,889)
Corporation tax		(2,264)		-
Net cash inflow from operating activities		31,113		24,823
Investing activities				
Purchase of investments held at fair value	(225,643)		(299,296)	
Proceeds from sale of investments held at fair value	211,031		311,579	
Interest received	145		151	
Net cash (used in)/generated from investing activities		(14,467)		12,434
Financing activities				
Repayments of loan from the Trust	(22,976)		(13,908)	
Net cash used in financing activities		(22,976)		(13,908)
Net (decrease)/increase in cash and cash equivalents		(6,330)		23,349
Cash and cash equivalents at beginning of year		23,555		206
Cash and cash equivalents at end of year		17,225		23,555

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Company information

The Golden Charter Trust Limited ("Trust Limited") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is C/O Shepherd and Wedderburn LLP, 1-6 Lombard Street, London, England, EC3V 9AA.

The Trust Limited's principal activities and nature of its operations are disclosed in the Directors' Report.

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 under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value.

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.

Significant judgements and estimates

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Trust's accounting policies. Accounting policies over which judgement has been exercised are included in those listed below.

Investments as financial assets

Trust Limited holds investments for the long-term with a view to generating a total return in the form of increases in fair value, and interest and dividends. Trust Limited considers its investment holdings to be financial assets in accordance with the definition set out in FRS 102.

Fair value of investments

Trust Limited's managed investments are valued using inputs some of which are not based on observable data and therefore contain some estimates (further detail at note 19). This fair value information is provided by the investment manager engaged by Trust Limited. Trust Limited has no input to, or influence over, the valuation methodologies applied by the investment manager. Trust Limited, in conjunction with its investment advisers, review the valuation for reasonableness.

Funeral benefit option asset as a financial asset

Trust Limited outlaid funds in prior years to secure future funeral business for funeral directors (further detail at note 9) for which it is expected that Trust Limited will receive future cash inflows. The fair value of these cash inflows are recognised as a non-basic financial asset that requires reference to data from reputable external sources and consideration of commercial factors. A judgement has been made regarding the cancellation rate for the remaining life of the funeral benefit options underlying the arrangement, which is determined based on historical data of the cancellation rate, as well as appropriate Consumer Price Index and discount rates.

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.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (Continued)

Investments

Trust Limited holds long-term investments with a view to generating a net return for the purposes of meeting its purpose and objectives. Trust Limited considers its investment holdings to be basic financial assets in accordance with the definition set out in FRS 102 section 11.

Unrealised gains and losses comprises changes in the fair value of investments in the year. Realised gains and losses represent income receipts and difference between the carrying value of investments and the disposal amount.

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. 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. Investment asset prices are quoted at bid price, where available, or based on a single price (e.g. closing single price, dealing price or most recent transaction price). Investment liabilities are priced at offer where available or possible.

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.

Capital commitments

Trust Limited has entered into subscription agreements with fund managers which might require future cash outflows. These commitments are disclosed in note 20 and are not considered to meet the definition of a liability requiring recognition on the Statement of Financial Position.

Financial instruments

Trust Limited enters into both basic and non-basic financial instruments that result in the recognition of financial assets and liabilities. 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 do so and there is an intention to settle or realise the asset and liability on a net basis or simultaneously.

Financial instruments are measured at their initial outlay and subsequently measured at fair value through profit or loss at each reporting date. The present value of non-basic 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 assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when Trust Limited transfers control of the financial asset, or substantially all the risks and rewards of ownership, to another entity.

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 is considered to be cash and cash equivalents.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (Continued)

Debtors

Debtors are recognised at the amount due after deducting any provision for impairment. It is expected that current debtors will be settled within one year. Debtors are classified as non-current where repayment is due over one year or the Directors view the amount receivable as a continuing Investment.

Creditors

Creditors are recognised when the company has a present legal or constructive obligation resulting from a past event and it is probably that a financial outflow will be required to settle the obligation. Initial measurement is at transaction price and it is expected that short term creditors will be settled within one year.

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.

Current tax assets and liabilities and deferred tax assets and 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 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

Transactions in currencies other than the functional currency are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined. All translation differences on monetary assets are recognised through profit or loss.

2 Other revenue

	2025	2024
	£'000	£'000
Interest income	145	151
	<u> </u>	<u> </u>

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Employees

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

	2025 Number	2024 Number
Directors, management and administration	14	11

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	796	605
Social security costs	89	65
Pension costs	25	12
	910	682

4 Directors' remuneration

	2025 £'000	2024 £'000
Remuneration for qualifying services	394	353

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

	2025 £'000	2024 £'000
Remuneration for qualifying services	65	58

No retirement benefits were paid to directors (2024:Nil).

5 Operating profit

	2025 £'000	2024 £'000
Operating profit for the year is stated after charging:		
Payments to Golden Charter Limited	25	140
Foreign exchange loss	1,832	1,682

An arrangement was in place for the provision of accounting and other administrative services by Golden Charter Limited to the Trust and Trust and Limited. The arrangement ceased on 30th September 2024. During the year, a fee of £25,000 (2024: £140,000) was paid in relation to these services.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Auditor's remuneration

	2025 £'000	2024 £'000
For audit services		
Audit of the financial statements of the Trust and Trust Limited	156	154
For other services		
Taxation compliance services	64	35
Taxation advisory services	17	37
All other non-audit services	6	6
	87	78

7 Taxation

	2025 £'000	2024 £'000
Current tax		
UK corporation tax on profits for the current period	1,568	2,586
Adjustments in respect of prior periods	(736)	-
Total current tax	832	2,586
Deferred tax		
Origination and reversal of timing differences	1,968	(3,058)
Total tax charge/(credit)	2,800	(472)

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

	2025 £'000	2024 £'000
Profit before taxation	29,966	52,353
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	7,491	13,088
Tax effect of expenses that are not deductible in determining taxable profit	2,234	4,748
Tax effect of income not taxable in determining taxable profit	(7,267)	(15,559)
Adjustments to brought forward values	(1,259)	(1,942)
Adjustments to deferred tax in respect of prior years	(736)	-
Chargeable gains/(losses)	3,620	(807)
Exempt ABGH distributions	(1,283)	-
Taxation charge/(credit) for the year	2,800	(472)

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

8 Investments at fair value through profit and loss

	2025 £'000	2024 £'000
Opening balance	1,194,483	1,180,720
Additions	223,838	298,234
Disposals	(210,988)	(308,894)
Net unrealised gain on investments at fair value	765	24,423
Closing balance	1,208,098	1,194,483

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

	2025 £'000	2024 £'000
Index-linked gilts	387,746	446,743
Liquidity funds	77,581	34,039
	465,327	480,782
Collective investment schemes	742,771	713,701
	1,208,098	1,194,483

The category of collective investment schemes includes £177.5m (2024: £164.7m) of private market investments.

Trust Limited's commitment to future investments in collective investment schemes is given in note 20.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Financial asset

	2025 £'000	2024 £'000
Opening balance	9,522	9,423
Inflow in the year	(441)	(465)
Fair value adjustment	58	564
Closing balance	9,139	9,522
Included within:		
Fixed assets	8,464	8,486
Current assets	675	1,036
	9,139	9,522

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.

10 Debtors

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Other debtors	74	52
Financial asset at fair value	675	1,036
Prepayments and accrued income	3,218	5,557
	3,967	6,645

11 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Amounts owed to group undertakings	325,670	348,645
Corporation tax	1,155	2,586
Accruals and deferred income	499	493
	327,324	351,724

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.

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Provisions for liabilities

	Notes	2025 £'000	2024 £'000
Deferred tax liabilities	13	12,071	10,103

13 Deferred taxation

The net deferred tax liabilities recognised by Trust Limited are:

	Liabilities 2025 £'000	Liabilities 2024 £'000
Balances:		
Accelerated capital allowances	12,071	49
Capital gains	-	10,054
	<u>12,071</u>	<u>10,103</u>

	2025 £'000
Movements in the year:	
Liability at 1 April 2024	10,103
Charge to profit or loss	1,968
	<u>12,071</u>
Liability at 31 March 2025	

14 Retirement benefit schemes

	2025 £'000	2024 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	25	12

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.

15 Share capital

	2025 Number	2024 Number	2025 £'000	2024 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	25,001,000	25,001,000	250	250

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

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

16 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.

17 Reserves

	2025 £'000	2024 £'000
Profit and loss		
At the beginning of the year	213,956	161,131
Profit for the year	27,166	52,825
	<u>241,122</u>	<u>213,956</u>
Share premium		
Share premium of £657,136 (2024: £657,136) represents premiums received on issue of ordinary share capital, net of any transaction costs associated with the issuing of shares.		

18 Analysis of changes in net funds

	1 April 2024 £'000	Cash flows £'000	31 March 2025 £'000
Cash at bank and in hand	<u>23,555</u>	<u>(6,330)</u>	<u>17,225</u>

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19 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 oversight.

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 financial 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 or currency).

Liquidity risk – inability to sell assets in a timely manner without adversely affecting the value.

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 credit risk.

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.

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 cash fund is actively managed with counterparty risk spread across various 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 financial 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 £28m (2024: £29m).

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19 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.

The Directors review the overall level of currency exposure annually. The Trust's primary exposure to unhedged overseas currency is from the holdings in infrastructure and equities, with the table below setting out the overall exposure to overseas currencies:

Currency	Invested asset exposure
Great British Pound (GBP)	87%
Overseas currencies	13%

A 5% decline or rise of sterling against foreign currency denominated (i.e. non-sterling) assets would have broadly increased/decreased the Net Asset Value and profit before tax by approximately £8m (2024: £7m).

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 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% of the portfolio, the infrastructure funds which represent 8% and the direct lending holdings which represent 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 11.

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

Asset classes	31 March 2025 £'000	31 March 2024 £'000
Level 1: Index Linked Gilts	387,746	446,743
Level 2: Collective Investment Schemes	418,671	402,177
Level 2: Short Term Liquidity Funds	77,581	34,039
Level 3: Collective Investment Schemes	324,100	311,524
Total	1,208,098	1,194,483

THE GOLDEN CHARTER TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Capital commitments

Trust Limited is committed to future investment in collective investment schemes to an amount of £73.0m (2024: £82.8m). The commitment to Partners Group funds makes up £59.2m, with £9.3m 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 £13.8m able to be called by manager by the end of 2026.

21 Related party transactions

During the year Trust Limited paid amounts totalling £0.2m (2024: £0.4m) on behalf of the Trust.

Trust Limited owed £325.7m (2024: £348.6m) 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 £0.6m (2024: £0.5m).