BENEFACT TRUST

2024 Annual Report & Accounts

Transforming lives and communities, a record year of support

Imagery from Truro Cathedral
Photo credit: Elowen Media

Table of Contents

Page	Contents

Explanation of terms

Throughout the annual report, the following terms are used as defined below:

Benefact Trust, the Trust or the Charity	Benefact Trust Limited
BG plc	Benefact Group plc, the direct subsidiary of Benefact Trust Limited
Benefact Group	Benefact Group plc and all its direct and indirectly owned subsidiaries
Benefact Trust group of companies	Benefact Trust Limited and all its direct and indirectly owned subsidiaries
EIO plc	Ecclesiastical Insurance Office public limited company, a direct subsidiary of Benefact Group plc
EEF	Expendable Endowment Fund (registered charity number 263960-1), a charitable trust linked to the Trust for registration and accounting purposes

About us

Benefact Trust Limited (the Trust) was established in 1972 in England and Wales as a company limited by guarantee and is a registered charity. The Trust is one of the UK's largest grant-making charities.

The Trust promotes the Christian religion and provides grants and support to Christian churches and charitable organisations, strengthening communities and seeking to help those in areas of greater need and deprivation. We work with applicants at an early stage, providing funding and practical advice that can help applicants unlock additional project funding. During 2024, we strengthened our commitment to addressing emerging social need through increased investment in our Community Impact Grants. We also provided strategic level support to denominations helping their churches to achieve net zero, whilst continuing to support charities providing front-line crisis intervention.

Benefact Trust is the owner of Benefact Group plc (BG plc) which in turn owns Ecclesiastical Insurance Office public limited company (EIO plc), Benefact Broking & Advisory Holdings Limited and EdenTree Holdings Limited. The Trust receives the majority of its income from the companies it owns; it does not fundraise. The Trust is governed by a board of trustees who set its strategic direction and fully recognise their responsibility to deliver on its objects in a way that enhances public trust. Among the trustees, the Board aims to have senior Church of England and Methodist clerics, which helps the board to understand and reflect its beneficiary base, but it is completely independent of these churches. A full list of the Trust's related undertakings is presented in note 48 to the financial statements.

We seek to celebrate and share the successes of beneficiaries and to recognise and support their challenges. In doing so, we seek the views of our large beneficiary network in shaping our grant-giving programmes, so that we can realise our vision of a society in which everyone can flourish, inspired by Christian values and fulfil our mission to empower Christian organisations to support communities and drive positive social change.

The Trust is the sole trustee of the Expendable Endowment Fund (EEF). Its charitable purposes are to advance the exclusively charitable purposes of the Trust (i.e. the advancement of the Christian religion, and to contribute to charitable institutions, associations, funds or objects, and to carry out any charitable purposes) for the public benefit. The EEF's primary activity in the advancement of its objects is grant-giving.

Welcome from the Chair and Trust Director

We are both humbled and deeply grateful for the incredible work of our beneficiaries and to everyone who supported the Trust in 2024.

Challenging times

Throughout the year, we heard from charities, churches and communities about the challenges they are facing - increased demands on services, uncertainty over future funding, a shortage of volunteers and growing social need. At times the news felt overwhelming, but the beneficiaries of our grants are determined to make a difference - they live and breathe all that is good in society.

A record year

In what was another year of growth, the Trust awarded a record £25.5m in grants, the highest level of giving since the Trust was founded in 1972. Funding was, as always, by way of donations from Benefact Group's available profits and made possible by the collective efforts of Benefact Group's 2,000 colleagues across the UK, Ireland, Australia and Canada. In 2024, a record donation of £33.0m was made by Benefact Group to the Trust (of which £8m was in respect of 2023's performance). The Trust also received a £2.8m donation from Methodist Insurance PLC which will support the Methodist Grants programme.

During the year, 1,423 grants were awarded and over 5 million people are expected to be reached, helping some of the most vulnerable communities in our society, including; survivors of human trafficking, people experiencing homelessness, those facing poverty, children living with disabilities, and families in crisis.

Additionally, our grants helped churches to conserve their buildings, supported charities and churches to make their spaces more accessible for the wider community, and funded students in the UK and Ireland to learn specialist heritage skills; not only to conserve historic churches but to help secure the future of the heritage sector.

The Trust also continued its support overseas awarding £2.1m in Ireland, and through its devolved grant-making arrangements in Canada and Australia, C$1.4m and AUD0.3m were awarded respectively.

Excellent performance

The performance of Benefact Group - now operating in three distinct divisions, Specialist Insurance, Asset Management and Broking & Advisory - reflects not only its financial success but also its profitable growth ambitions and the depth of its charitable commitment - a testament to our shared dedication to supporting communities in need.

Benefact Group, the third largest UK corporate donor over a decade[1], reported a profit before tax in the year of £77.6m[2]. The Specialist Insurance division delivered a profitable result with strong underwriting and investment performance. The results of the Broking & Advisory division were boosted by Lloyd & Whyte Group Limited's disposal of its financial planning arm. However, ongoing challenges in the asset management market resulted in a loss in the Asset Management division as funds under management fell.

Expendable Endowment Fund

The Trust was grateful to receive donations totalling £9.9m from the Expendable Endowment Fund (EEF) to support its grant-making activities. The EEF is a linked charity, of which Benefact Trust is the sole trustee, and once again delivered a strong investment performance, ending the year at £119.2m.

Inspirational beneficiaries

During a visit to Cardiff in February, Helen, our Trust Director, had the pleasure of visiting Glenwood Church. With our

[1] Directory of Social Change UK Guide to Company Giving 2017-2026.
[2] This is the profit before tax reported under International Financial Reporting Standards (IFRS), which is the accounting basis used to prepare the Benefact Group plc's financial statements. This result may differ when consolidated into the Trust's consolidated financial statements, which are prepared under UK Generally Accepted Accounting Practice (UKGAAP).

support, the church had built an extension creating a community hub and wellbeing centre. The building was alive with activity. A group of knitters sat around tables, an open cafe provided refreshments, and a new wellbeing centre provided support to those in need. This project has created a true community hub and helped regenerate a disadvantaged area.

Later in the year, we visited beneficiaries in Edinburgh. This included the Scottish Episcopal Church, Church of Scotland and the Bethany Christian Trust, a charity seeking to end homelessness in Scotland.

In October, we had the pleasure of visiting Dublin and our Ecclesiastical Insurance Ireland colleagues. Here we also visited AIDS Care Education and Training Ireland (a charity helping to remove the stigma around AIDS as well as providing practical support), the stunning St Patrick's Cathedral, and Crosscare (a charity supporting young people, refugees and people experiencing homelessness).

As we reached the end of 2024, Benefact Trust hit an impressive milestone. Our total giving in Ireland, since the Trust was founded, exceeded £10.0m. This is something we hope to build on in the years ahead.

Further afield, Tim, our Chair, visited Ecclesiastical Canada's Vancouver office, taking the opportunity to visit local charities such as Sanctuary Mental Health Ministries and Boys and Girls Clubs. Tim also travelled to Australia to visit Ansvar Insurance colleagues in Sydney and in rapidly-growing Melbourne, where he also witnessed the incredible work being done by the Melbourne Anglican Foundation, supported by AUD0.4m in grants, awarded by the Trust since 2018.

Whether we're helping to preserve a listed church or expand a social outreach programme, we are privileged to play a role in supporting this essential work.

Strategic grants

2024 also saw the launch of the Trust's new Strategic Partnership Grants programme, a closed programme enabling the trustees to proactively identify strategic funding opportunities to facilitate greater social change and impact. The first grant of £1.5m was awarded to the Church of England to support its plan to assist 60 'demonstrator' churches to achieve net zero, with the knowledge gained being shared across all denominations. This is one of the largest grants ever awarded by the Trust, emphasising our commitment to tackling climate change. A further grant of £0.5m was awarded to the Scottish Episcopal Church for its sustainability work and we stand ready to provide support to other denominations across the UK and Ireland to support their net zero plans.

Shining a light

Despite evidence suggesting that churches provide £55 billion of social value to the UK every year, this impact is not widely recognised and appreciated. Through the Trust's 'Beyond Funding' podcast series, eight new episodes were produced helping to shine a light on a range of social issues including fundraising, food poverty, global homelessness, mental health, and disability inclusion. These podcasts not only raise the profile of our beneficiaries, but they provide valuable insight into some of the issues our grants seek to address.

Trustee developments

In 2024, we were delighted to welcome new trustees, Caroline Coombs, who brings decades of global leadership experience, and Denise Cockrem, a chartered accountant and former Group CFO and Executive Director for Benefact Group. The Trust was also pleased to welcome The Revd Canon Sarah Brown, Dean of Hereford, who joined the Board in March 2025. We look forward to working with them all in 2025.

Plans for the future

As we look to the year ahead, we will introduce a new grant management system, review our impact reporting, and undertake a comprehensive beneficiary survey which will inform our next strategic grants review. This is an opportunity to ensure that our grant-making continues to address and support the most pressing and emerging needs of our beneficiaries and the communities they serve. We also seek to increase the value of our grant-making in 2025, particularly seeking new funding opportunities in Wales and the Republic of Ireland.

Benefact Trust's role in supporting Christian charities to address social need remains as important as ever and our purpose is clear.

We want to make a positive difference to more people's lives - empowering the most vulnerable and giving people, communities and places a renewed opportunity to flourish.

Thank you

Finally, we would like to add our heartfelt thanks to everyone who makes the work of the Trust possible. Benefact Group colleagues, the Trust team, our dedicated and skilled trustees, and of course our incredible beneficiaries. It truly is a team effort, for which we remain grateful.

1 May 2025

Tim Carroll
Benefact Trust Chair

1 May 2025

Helen Gray
Benefact Trust Director

Strategic Report

Our vision, mission and values

Our Board of trustees sets the strategic direction of Benefact Trust, ensuring our strategy aligns closely with the Trust's overarching goals and that we prioritise actions which enhance public trust. In our planning processes, we consider the Charity Commission's guidance on public benefit, including the comprehensive framework outlined in Public Benefit: Running a Charity (PB2).

Recognising the importance of good governance, we have worked hard to make sure it is at the heart of our operations. This ensures that the Trust operates with efficiency, effectiveness, and sustainability, in compliance with the Charity Governance Code.

The Trust's vision, mission, and values continue to serve as guiding principles, driving our efforts to fulfil our charitable objectives. Our vision, mission and values are as follows:

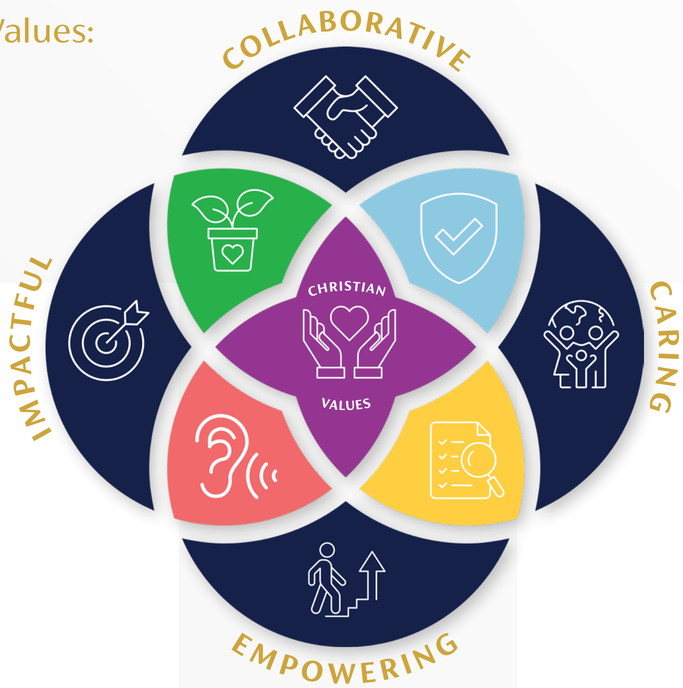
Vision:

A society in which everyone can flourish, inspired by Christian values.

Mission:

Funding and empowering Christian organisations and charities to support communities and drive positive social change.

Values:



Our strategy 2024 – 2026

In 2023, Benefact Trust conducted a comprehensive strategic review to shape its 2024-2026 Strategy and Business Plan. This plan was reviewed and updated in November 2024 to incorporate recent developments and areas of focus for 2025.

The strategy for 2024 to 2026 focuses on growth in grant-making and impact. The key strategic priorities reflect a beneficiary-centred approach that listens and responds to the changing needs of the voluntary sector, our charity partners and most importantly their beneficiaries. It remains important that we help to build resilience in the Christian charitable sector as the current social and economic challenges are complex and will continue to adversely impact many charities for years to come.

The strategy reflects our primary aim of empowering Christian organisations to have a positive and transformative impact on lives and communities. Our grant-giving programmes evolved in 2023 reflecting the changing needs of our charity partners and their beneficiaries. Another strategic review of the Trust's grant programmes will be undertaken in 2025/26.

The strategy is underpinned by five strategic goals and the outcomes to be delivered at the end of the planning period (31 December 2026) are shown on the following pages:

Strategic goal	Key outcomes we aim to deliver by 2026
Growth in grant-making	• Annual grant-making will increase year on year, for three consecutive years, reflecting growing demand for support. This will include a new 'strategic partnership' grant programme enabling the Trust to increase its impact in key social areas. • The Trust will continue to respond proactively to crises both at home and abroad with a focus on providing humanitarian aid to vulnerable communities in crisis through the Trust's Crisis Response programme. • The Trust will have undertaken a strategic review of its grant-making programmes, informed by impact data and beneficiary feedback, to coincide with the next chapter of the Trust's strategic plan (2027-2030).
Demonstrating and enabling greater impact	• Impact reporting and frameworks will continue to be embedded across all grant programmes. This will be aided by the implementation of a new grant management system in 2025. • Impact measurement and analysis will be used to continually improve the Trust's beneficiary offer and to evidence the Trust's own impact to key stakeholders. This will include the publication of externally facing impact reports. • The Trust will take a leading role in sharing its learning on impact practice with other Christian funders and its beneficiaries, with the aim of enabling and celebrating the Christian charitable sector's positive and transformative impact on communities.

Our strategy 2024 – 2026

Strategic goal	Key outcomes we aim to deliver by 2026
Raising the profile and awareness of Benefact Trust	• Key relationships with senior Christian faith leaders of all major denominations and charity leaders will continue to be developed. This will ensure the Trust's grant-making continues to respond to the needs of its beneficiaries. The Trust will also receive a proportionate spread of applications from England, Scotland, Wales and Ireland. • Partnership funding will have been explored and opportunities harnessed to work with other funders to amplify the Trust's impact. The Trust will have built its reputation as a trusted, modern funder at the forefront of supporting Christian places of worship and charities. • An ambassadorial network will be established helping to increase awareness of the Trust's purpose and mission to the wider Christian sector.
Building operational resilience	• A strong governance framework will continue to be embedded, meeting the required standards for charities with a connected non-charitable subsidiary and continuing to comply with the revised Charity Governance Code. • The Trust will continue to have strong oversight of its subsidiary and will support its continued development as a successful financial services group. • A new grant management system will be embedded, enhancing the beneficiary experience, reducing risk, improving access to grant management data and increasing efficiencies within the Trust team.
Appraisal of investments	• The Trust will have undertaken an informed and objective review of the adequacy of the rate of return achieved/ targeted from the Benefact Group when weighed against the risk. • The legal and governance arrangements for the EEF, a linked charity will have been strengthened. • A review of the appropriateness of social investment will have been undertaken.

Our plans for 2025

In 2025, the key initiatives that will be prioritised are:

Strategic goal	Strategic initiatives
Growth in grant-making	• Expand the Trust's Strategic Partnership Grants programme to address strategic priority areas. • Increase funding per Christian capita in countries receiving a below average allocation. • Undertake a strategic grants review in 2025/26 informed by the results of a beneficiary survey.
Demonstrating and enabling greater impact	• Work in conjunction with a charity impact consultant to further develop an impact framework and reporting methodology in preparation for the publication of an external impact report in 2026.
Raising the profile and awareness of Benefact Trust	• Grow the Trust's social media presence (including the creation of a new Trust Instagram account). • Enhance the Trust's online presence through the development and launch of a new website and Search Engine Optimisation (SEO) strategy and framework. • Build the Trust's external profile by exploring proactive and reactive PR in conjunction with social media. • Continue to grow Christian sector networks. • Continue to work closely with Benefact Group to build joint brand reach and profile.
Building operational resilience	• Maintain good governance, financial planning and risk management. • Undertake an external Governance Review of the Trust. • Launch a new grant management system (GMS) to support the delivery of a £27.0m grant budget. • Undertake an Internal Audit of grant-making processes following the implementation of the new GMS. • Undertake an external evaluation of Board effectiveness.
Appraisal of investments	• The Corporate Trustee of the EEF will consider further the opportunities presented by impact investing. • Undertake an informed and objective review by a financial services industry valuation expert of the Benefact Group of businesses including an assessment of the adequacy of the rate of return achieved/targeted and the suitability of the investment when weighed against the risk.

Our achievements in 2024

We made significant progress in meeting the objectives we had set for 2024:

Growing grant-making	
Deliver new strategic partnership fund	A new, closed, Strategic Partnership Grants programme was launched to enable trustees to proactively seek opportunities to deliver strategic impact through grant-making, enhancing the impact achieved through the Trust's open programmes. In 2024, the Trust focussed on net zero resulting in an award of £1.5m in support of the Church of England's Demonstrator Churches project and a grant of £0.5m in support of the Scottish Episcopal Church's net zero work. In both cases best practice and learning will be shared with representatives of other churches and heritage buildings amplifying the impact of both grants.
Conduct beneficiary survey	In April 2024, a survey was issued to almost 1,000 grant recipients. A feedback rate of over 30% was achieved providing valuable feedback regarding the Trust's application process. Feedback was positive with areas for improvement reflected in the development of a new grant management system (GMS).
Demonstrating and enabling greater impact	
Consolidate impact measurement progress made in 2023	Following the appointment of the Trust's first Grant and Impact Officer in May 2023, work was undertaken to develop the Trust's approach to impact data analysis. This has resulted in the development of an internal impact report. While the Trust intends to develop this further for an external audience, this work has been in abeyance, to ensure resource could be directed at the new GMS project.
Raising the profile and awareness of Benefact Trust	
Strengthen brand position	In 2024, eight podcasts were released in the Trust's 'Beyond Funding' series which launched in 2023. This series of podcasts has attracted over 3,300 views helping to position the Trust as a thought leader by drawing on the expertise of its beneficiaries. The Trust's social media following grew, with the greatest follower growth coming from LinkedIn. The Trust's email subscriber database increased by 30.2%.
Build and develop ambassador network	An ambassador network comprising of beneficiaries, colleagues and trustees has been established. Collectively, ambassadors have attended events, taken part in podcasts and engaged in social media and marketing content produced by the Trust helping to extend its reach.
Develop Christian sector networks	During 2024, members of the Trust team visited Cardiff, Edinburgh, Glasgow, Belfast and Dublin helping to strengthen relationship with faith leaders and organisations. The team also attended key events providing in person advice and guidance. The Trust continues to play an active role as a member of the Christian Funders' Forum forging opportunities for collaborative funding.

Build brand reach and profile across Benefact Group	The Trust welcomed the opportunity to develop further relationships with Benefact Group and its strategic business units. This culminated in presentations at the annual Benefact Group Leadership Conference and attendance at Benefact Group team meetings and divisional conferences. Shared media content was also developed.
Building operational resilience	
Develop and consolidate the Trust team	There were no staff resignations during the year and two appointments were made. The team welcomed a Grants Operations Assistant and a Graphic and Multimedia Designer. Both appointments have helped to build capacity and broaden the skills of the team.
Maintain good governance	The Trust continued to adhere to all guidance and regulation regarding charity governance. Additionally, a benchmarking exercise was undertaken to enable the trustees to evaluate levels of resource and operating expenditure in relation to the scale of the Trust's grant-making. This research concluded that the Trust is run efficiently without excessive costs being incurred thereby maximising funding available for grant-making. A review of the Trust's policies was also undertaken (except for the Privacy Policy which will be reviewed in 2025).
Implement a new Grant Management System (GMS)	Significant progress was made to deliver a new GMS, with 90% of configuration and testing completed. Although the system did not go live in 2024, it is expected to go live in mid 2025 to allow additional time to develop automated grant payment processes. The new GMS is expected to create greater operational efficiency enabling the team to manage and process an increasing volume of applications.
Appraisal of investments	
Review the target rate of the return for the Benefact Group for the next five years	An independent review of the target rate of return for the Benefact Group for the next five years was undertaken. The results were agreed by the trustees and shared with the Benefact Group.
Establish the EEF as a linked charity	The Trust has taken proactive steps to strengthen the governance arrangements relating to the EEF.
Evaluate the potential to make social investments	In October 2024, the trustees considered the opportunities presented through impact investing. This will be considered further in 2025 as a potential opportunity to extend the impact of the Trust in line with the social issues addressed through its grant-making.

Our grant-giving

The Trust's principal source of income derives from its ownership of Benefact Group. As insurance is a risk business, the trustees recognise that the donations the Trust receives may fluctuate. The EEF holds significant assets to advance its charitable purposes which are, in summary, to advance the exclusively charitable purposes of the Trust for the public benefit. The Trust received donations totalling £33.0m from the Benefact Group during the year, of which £8.0m was in respect of 2023 performance. Our financial support to churches and other charitable institutions increased to £25.5m (2023: £23.8m) reflecting strong demand for beneficiary support.

The Trust aims to help those in areas of greatest need. At the heart of the Trust's grant-making is the Christian belief that individuals reach their full potential in community and that the opportunity to flourish should be available to all. Increasingly, our grants target people in need but they also strengthen the churches and charities who deliver that help. When awarding grants, we take consideration of the level of deprivation where the project is being delivered and uplift the grant accordingly.

Our focus and impact

Challenges faced by our beneficiaries

Our beneficiaries continued to face a range of challenges in 2024. While many of these issues were a continuation of those experienced in 2023 (high demand for services, increasing overheads and challenges around volunteer recruitment), 2024 saw an increasingly challenging landscape with beneficiaries reporting that fundraising was tougher than it has ever been. Several trusts and foundations closed or paused their giving, struggling local authorities reduced their charitable support and private donors felt the impact of the ongoing increased cost of living.

Christian places of worship also experienced a range of challenges: fostering and growing congregations, maintaining historic buildings, embracing the green agenda – all while facing financial pressure.

Our focus

Despite these challenges, our commitment to supporting social needs and the beneficiaries we work with remained unwavering. Awarding over £10.5m through Community Impact Grants this year, we strengthened our commitment to addressing emerging social need and, together with our other grant programmes, enabled the Trust to award 1,423 grants totalling £25.5m overall. We also piloted a new Strategic Partnership Grants programme which has provided support at a strategic level to address issues of key significance for the Christian church and charity sectors, including net zero.

Strategic partnerships:

Recognising the importance of the net zero agenda – and the high costs involved in improving the energy efficiency of church buildings – the main focus of our new Strategic Partnership Grants programme in 2024 was supporting churches to achieve net zero. With this aim, we awarded £1.5m to the Church of England and £0.5m to the Scottish Episcopal Church, both to provide grants for 'Demonstrator Churches' that will provide examples to educate and inspire others. We also awarded one year of support to the Cathedrals' Workshop Fellowship for a strategic programme of heritage skills training across its network of cathedrals in England.

Social challenges:

Reflecting the increasing challenges facing today's communities, the most common aim shared by our Community Impact Grants in 2024 remained addressing social challenges facing communities.

2024 saw an increase in the number of applications aiming to improve the mental health and wellbeing of communities. Alongside these, many of our grants went to organisations supporting marginalised and vulnerable populations, addressing the effects of poverty and improving the lives of children and young people. This was through the provision of a wide range of vital services, such as housing, youth clubs, mentoring, financial advice, food banks and community cafes. We funded services provided directly by Christian charities as well as funding churches to expand their facilities so that more people can access support and services.

Growing congregations and communities:

There was a significant increase this year in the number of applications aiming to grow congregations and Christian communities, indicating that churches are working hard to counteract declining membership and attendance. Our grants funded a range of activities seeking to engage new audiences and develop faith, such as youth work and the development of new worshipping communities.

Building improvement support:

Our commitment to community projects and heritage preservation was evident through Building Improvement Grants, with over 750 grants awarded to keep church buildings in good repair, preserve heritage features, enhance accessibility, and improve operational sustainability.

Crisis response support:

Responding quickly to humanitarian crises, our Crisis Response Grants provided £750,000 to strategic initiatives, including £408,000 to Médecins Sans Frontières and Christian Aid for their work in Gaza and Lebanon and £150,000 to World Vision to help alleviate suffering in Sudan. We also contributed £142,000 to the joint efforts of the Canadian Red Cross and Anglican and Catholic Dioceses of Jasper in response to the devastating wildfires in Jasper, Canada.

Our devolved grant-giving:

Our international impact was extended through our devolved grant-giving with grants awarded by Ecclesiastical Canada and Ansvar Australia totalling C$1.4m and AUD0.3m respectively. These grants supported environmental conservation, food security, and welfare initiatives, reaching vulnerable youth and families.

Impact in numbers: key statistics from 2024

A total of £25.5m in grants awarded (a 7% increase on 2023) signifies our commitment to meeting growing demand for our funding.

£10.6m was awarded for Community Impact (an increase of 24% on 2023), including over 350 grants addressing social issues, including mental health, marginalised and vulnerable populations and children and young people's needs.

Nearly £2.0m in strategic net zero funding demonstrates our commitment to supporting churches in their collaborative efforts to respond to the climate crisis.

Building Improvement Grants allocated nearly £3.0m through more than 750 grants providing essential support to protect and enhance churches and Christian charity buildings, ensuring their continued use and the safeguarding of their heritage.

Donations received from Methodist Insurance PLC enabled the Trust's Methodist Grant-Giving Committee to award over £2.2m in grants for projects taking place in 21 Methodist districts.

As we reflect on 2024, it is evident that our strategic focus and grant programmes have not only helped to address the evolving needs of our beneficiaries but have also made a tangible and impactful difference in the lives of individuals and communities.

Our grants programmes

Our **Community Impact Grants** programme focuses on wider community support, addressing social challenges and supporting Christian communities to flourish.

Building Improvements Grants ensures the continued use of churches and Christian charity buildings, supporting outcomes that enhance experience, efficiency, accessibility, sustainability, and heritage preservation.

The **Methodist Grants** programme enriches the Methodist Church's mission and ministry. It encourages growth, engagement, accessibility, environmental benefit and prioritises repair and maintenance projects crucial for ongoing mission and ministry.

Our new **Strategic Partnership Grants** initiative addresses issues of key significance for the Christian church and charity sectors. Key priorities for 2024 included net zero and heritage skills.

Heritage Skills for Christian Buildings provides funding for apprenticeships and other training to pass down knowledge essential for the conservation of historic Christian buildings.

The **Crisis Response Grants** programme provides support for people during times of crisis, anywhere in the world. Collaborating with aid organisations and other charities, funds have been donated to alleviate suffering in Gaza and Sudan this year.

Recurrent Grants awards annual grants to dioceses and cathedrals.

In 2024, these programmes reflected our commitment to positive change, growth, and adaptability. Each grant is a testament to our vision of a better future where vulnerable communities are empowered, heritage is preserved, and Christian organisations thrive.

Total grants awarded by programme

Community Impact Grants	£10.6m
Building Improvement Grants	£3.0m
Strategic Partnership Grants	£2.5m
Methodist Grants	£2.2m
Heritage Skills for Christian Buildings Grants	£0.1m
Crisis Response Grants	£0.8m
Recurrent Grants	£6.3m
Other Grants	£0.1m
Total*	**£25.5m**

*The total does not sum due to rounding of individual grant programmes to the nearest £0.1m.

2024 grants impact summary

Our Impact

Benefact Trust's mission is to empower Christian organisations supporting communities of all faiths and none, to drive positive social change.

We gave over £25 million

£2.3 million in deprivation uplifts

Supporting deprived communities

Helping those most in need is at the heart of our grant-giving. The Trust therefore aims to ensure that its funds go to areas where they are needed most. In 2024, an additional £2.3m was awarded to local projects being delivered in deprived areas* in the UK and Ireland, resulting in larger grants. By value, nearly 40% of our funding for local projects went to the 20% most deprived areas.

*The Trust uses the Index of Multiple Deprivation scores for the UK and the Pobal HP Deprivation Index for Ireland to support its decision to award a deprivation uplift.

Impact of our giving

Stories that highlight the human impact of the projects the Trust has supported and the remarkable work of our beneficiaries.

Community Impact Grant

Housing Justice - £52,000

Supporting refugees and asylum seekers facing homelessness.

Community Impact Grant

Llandrindod Foodbank - £33,000

Addressing food poverty through a purpose built foodbank and advice centre in rural Mid-Wales.

Community Impact Grant

Revitalise Trust - £100,000

Providing holistic support through Love Your Neighbour hubs for people who are marginalised, vulnerable or in crisis.

Community Impact Grant

The Source Young People's Charity - £53,000

Helping to prevent mental health issues in young people through early intervention.

Building Improvement Grant

Carrubbers Christian Centre - £38,000

Upgrading the church to provide fully accessible, flexible space and improve energy efficiency.

Credit: Sebastian Christopher

Building Improvement Grant

The Cathedral Church of St Peter in Exeter - £57,000

Improvements to the Cathedral including accessible toilets, energy efficiency measures and roof repair.

Methodist Grant

Trinity St Andrew's, Skipton - £52,000

Developing a welcoming and inclusive church and community hub.

Methodist Grant

Dundrum Methodist Church - £100,000

Replacing an asbestos roof and creating accessible facilities.

Strategic Partnership Grant

The General Synod of the Scottish Episcopal Church (SEC) - £490,000

Helping SEC fund demonstrator churches to achieve net zero across each of the unique Dioceses of Scotland.

Strategic Partnership Grant

Archbishop’s Council (Church of England) - £1,500,000

Helping the Church of England to achieve net zero by supporting 60 churches to achieve net zero and act as ‘Demonstrator Churches’.

Measuring the success of our grants programmes

We measure the success of our grants programmes using impact surveys which are completed by beneficiaries in the year that they concluded the work for which their grant was awarded (or annually in the case of multi-year grants). The table below provides an overview of 2024 impact survey results, indicating that all programme level KPIs were achieved in 2024. The overall survey response rate in 2024 was 71%.

1. Grant-giving

KPI	Target	Result
% of grant applications up to £10k processed within 2 months	At least 90%	95%
% of grant applications over £10k and up to £150k processed within 4 months	At least 90%	97%
% of grant applications over £150k processed within 6 months	At least 90%	100%
% of applications received in the year that were successful	At least 85%	96%
% of beneficiaries reporting that they find the current programmes suitable for their organisation	At least 75% of respondents	95%
% of beneficiaries reporting that their experience working with the Benefact Trust team was good or excellent	At least 80% of respondents	98%

2. Grant programmes

Grant programme	KPI	Target	Result
Community Impact Grants	% of beneficiaries reporting that at least one of the following programme outcomes has been achieved as a result of their grant: • Growing congregations and Christian communities • Helped address social challenges • Enabled wider community use of church buildings • Empowering Christian education	At least 80% of respondents	87%

Grant programme	KPI	Target	Result
Building Improvement Grants	% of beneficiaries reporting that at least one of the following programme outcomes has been achieved as a result of their grant: • More accessible / improved user experience • Better equipped to meet operational requirements • Heritage has been preserved or promoted • Building is protected and remains in good condition • More energy efficient or environmentally sustainable	At least 80% of respondents	99%
Methodist Grants	% of beneficiaries reporting that at least one of the following programme outcomes has been achieved as a result of their grant: • More accessible / improved user experience • Better equipped to meet operational requirements • Heritage has been preserved or promoted • Building is protected and remains in good condition • More efficient or environmentally sustainable	At least 80% of respondents	100%
General Grants*	% of beneficiaries reporting that at least one of the following programme outcomes has been achieved as a result of their grant: • Enabled church growth (numerically or spiritually) • Helped address social challenges • Enabled continued use or wider community use of church facilities • Protected or promoted heritage	At least 80% of respondents	97%

*Although no grants were awarded under General Grants in 2024, it has been included as projects funded under this programme completed during 2024.

2024 grant-giving data

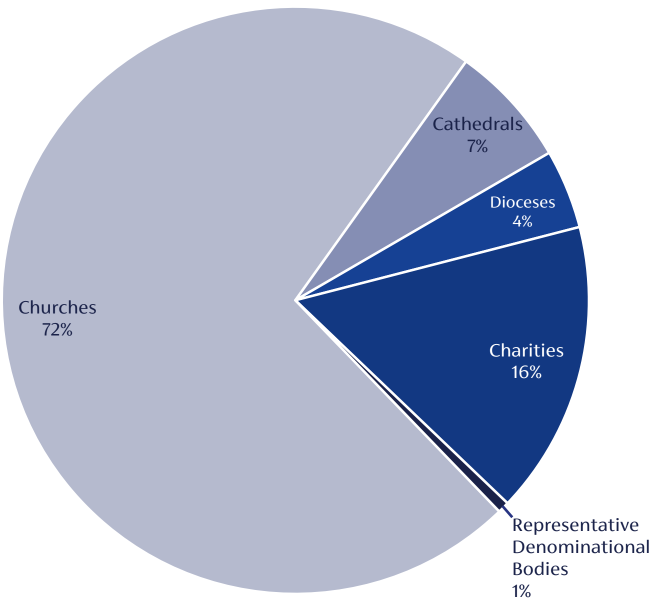
The distribution of grants by organisation type, denomination and geographical location, which are shown in the following charts, is largely determined by the Trust's objects and the pattern of applications received by the Trust.

The grants made reflect the number of applications received by the Trust and the size of the project covered by each application as well as the decisions made by trustees about those applications. The trustees recognise that assessing trends in grant-making data can be difficult when so much of that data is externally driven.

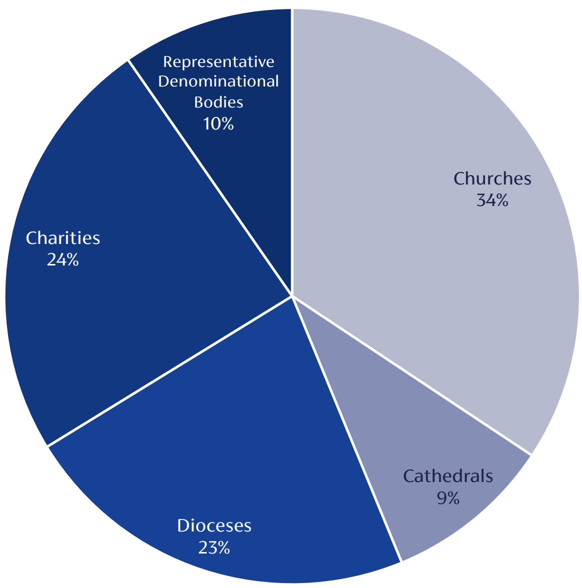
Churches received the largest proportion of funding this year (34%), followed by charities (24%). Churches also received the largest number of individual grants (72%). These statistics reflect the fact that churches and Christian charities are the main beneficiaries of the Trust's two main programmes – Building Improvement and Community Impact Grants. Cathedrals, dioceses and representative denominational bodies received the remainder of funding.

The Church of England received the highest percentage of funding this year (61%). This reflects the much higher number of parishes and church buildings than any other denomination across the UK and Ireland. Many of the applications received are not just about maintaining church buildings but also involve adapting them for community use or services, thus helping those communities to develop and thrive. The Methodist Church received 14% of funding, reflecting the grants given under the Methodist Grants programme and through our open programmes. The remainder of funding this year was awarded to a wide range of other Christian denominations as the Trust has continued its efforts to grow its denominational network and encourage applications from all regions and countries across the UK and Ireland.

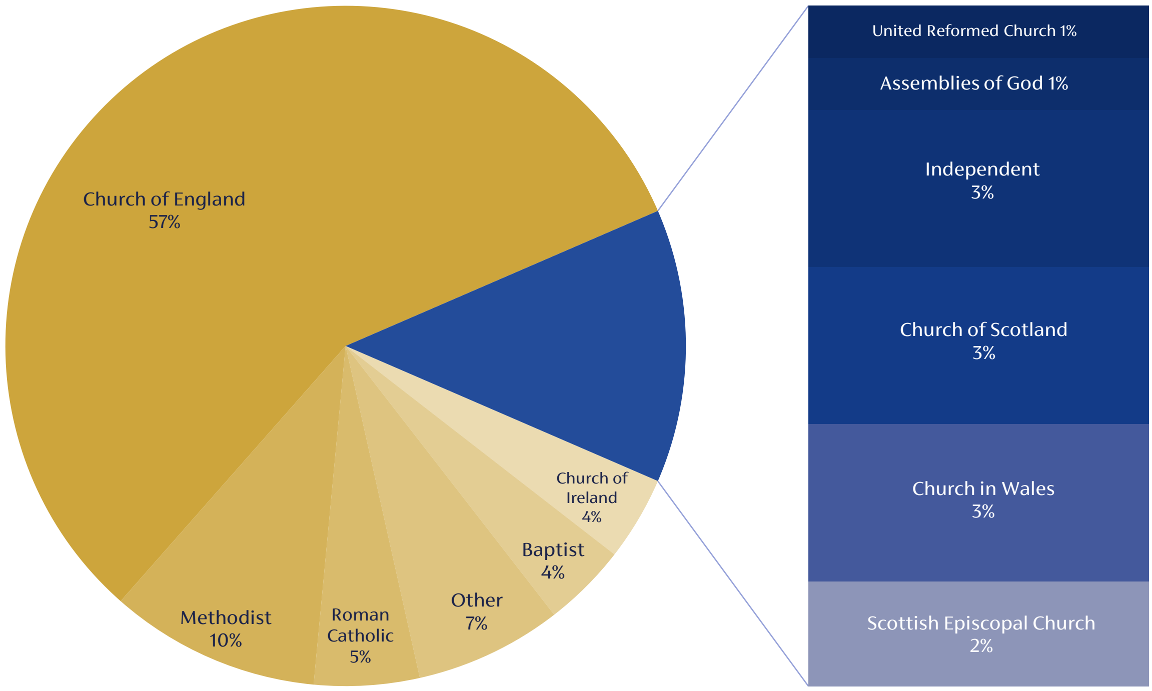
Number of Grants Given by Organisation Type



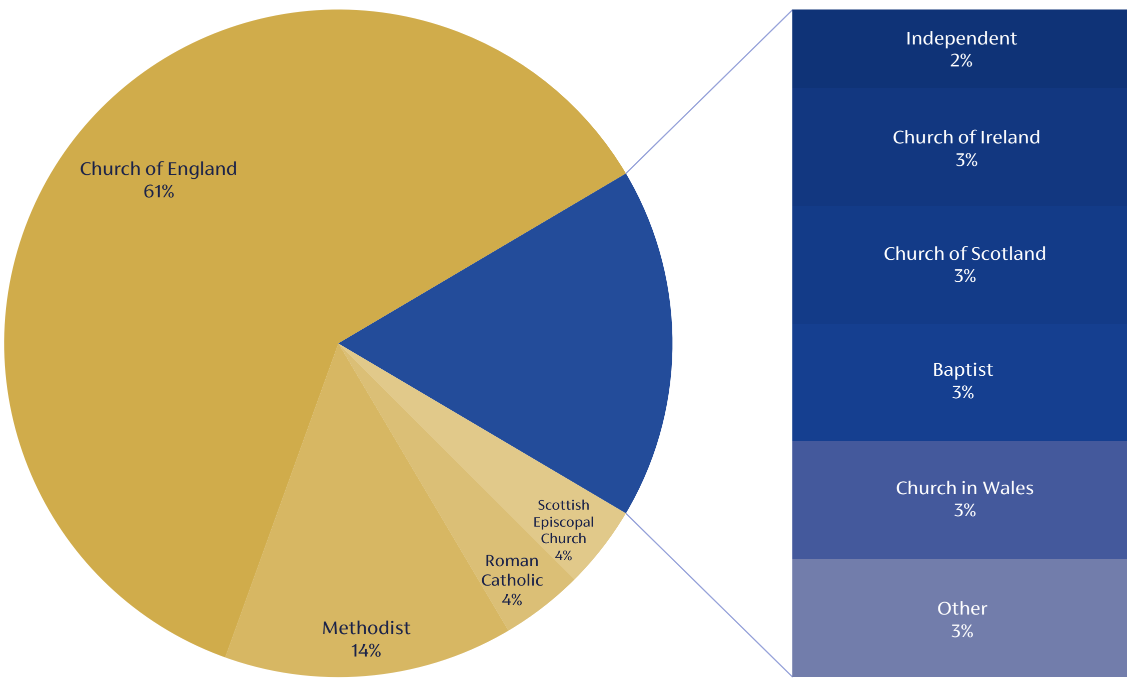
Value of Grants Given by Organisation Type



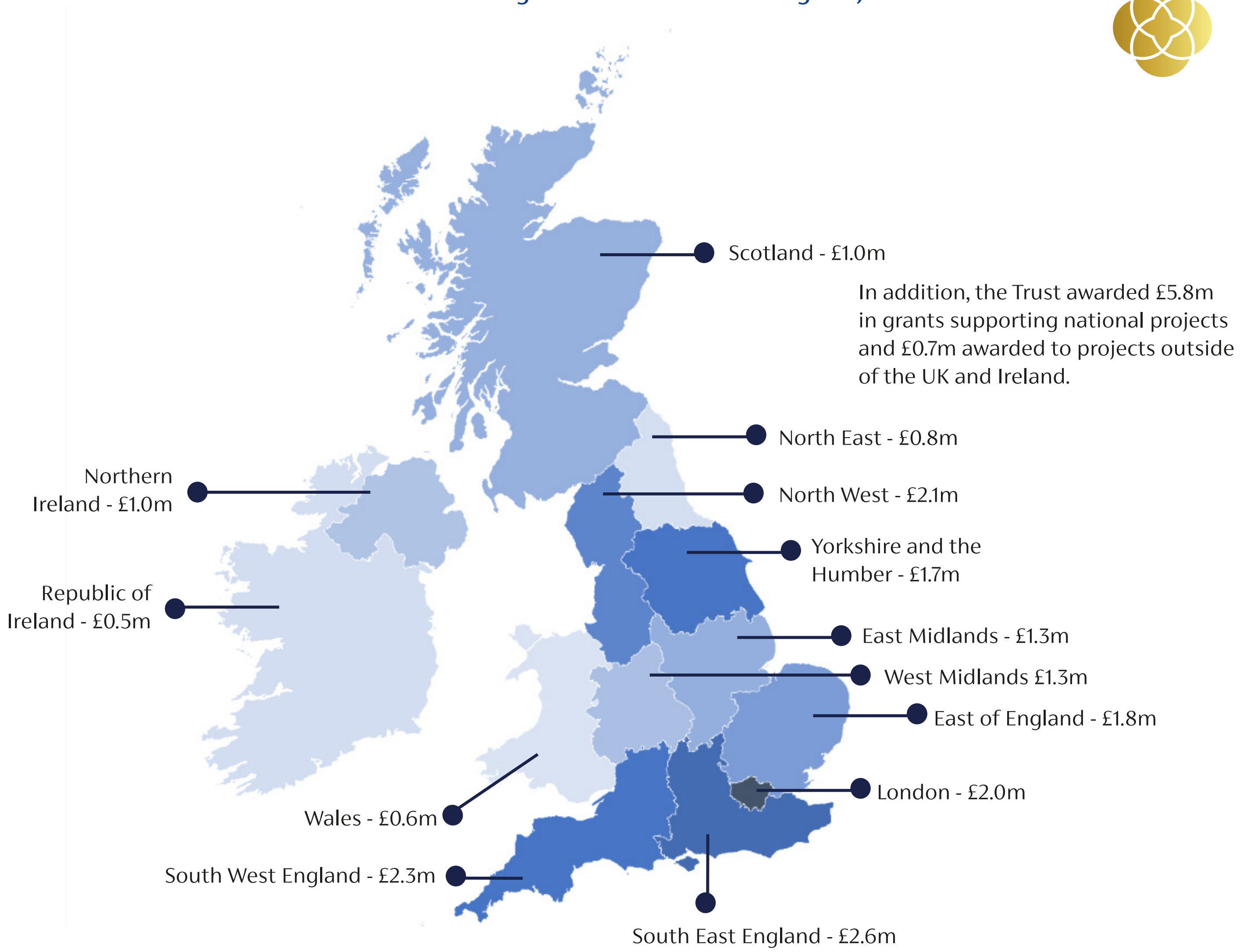
Number of Grants Given By Denomination



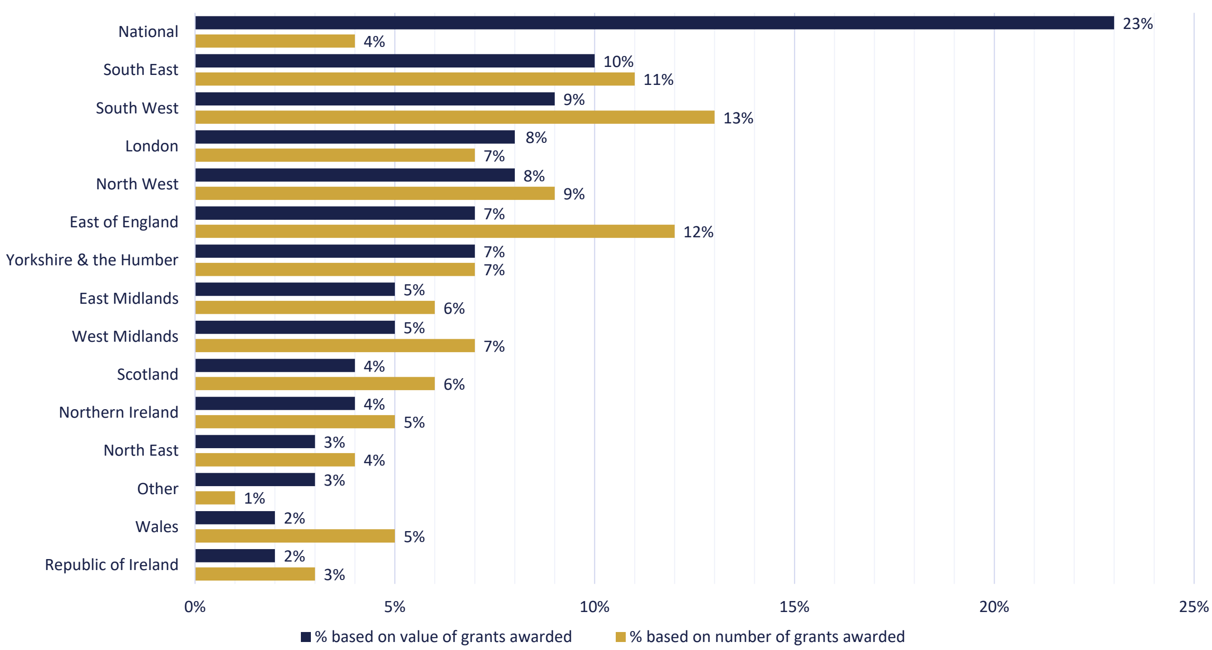
Value of Grants Given By Denomination



Value of Grants Awarded by Location of Beneficiary Project



Grant-Giving by Geographical Spread of Project Supported



Financial review

Parent charity

The charity statement of financial activities is shown on page 59.

Our total net income in the year was £21.4m (2023: net expenditure £0.4m).

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Total income	**36,410**	**2,586**	**38,996**	14,064	3,719	17,783
Total expenditure	**(27,072)**	**(427)**	**(27,499)**	(24,986)	(347)	(25,333)
Net gains on investments	**-**	**10,001**	**10,001**	-	7,258	7,258
Taxation	**-**	**(141)**	**(141)**	-	(133)	(133)
Net income/(expenditure) in the year	**9,338**	**12,019**	**21,357**	(10,922)	10,497	(425)
Transfers between funds						
Gross transfers to the unrestricted fund	**9,904**	**(9,904)**	**-**	3,956	(3,956)	-
Net movement in funds	**19,242**	**2,115**	**21,357**	(6,966)	6,541	(425)

The unrestricted fund reported net income of £9.3m in the year (2023: £10.9m net expenditure), primarily due to a £22.3m increase in income received. Net charitable giving increased to £25.4m (2023: £23.4m).

Strong performance in global equity markets positively impacted the performance of the EEF, which reported net gains on investments of £10.0m (2023: net gains of £7.3m), contributing to net income in the year of £12.0m (2023: £10.5m net income). During the year, the EEF donated £9.9m (2023: £4.0m) to the unrestricted fund to support its charitable activities.

Income

Total income received in 2024 increased to £39.0m (2023: £17.8m), primarily due to donations totalling £33.0m (2023: £13.0m) from Benefact Group (of which £8.0m was in respect of its 2023 performance) and £2.8m (2023: £0.5m) from Methodist Insurance PLC.

Expenditure

Net charitable giving of £25.4m (2023: £23.4m) includes £10.6m awarded through our Community Impact Grants programme, £6.3m through our Recurrent Grants programmes, £3.0m through our Building Improvement Grants programme, and £2.5m through our Strategic Partnership Grants programme.

Due to our investment in a new grants management system and expansion of the Trust team to support the growth of our grant-making activities, operating expenses, excluding the costs of raising funds, increased to £1.7m (2023: £1.5m). We aim to keep operating expenses below 7.5% of total charitable giving and have achieved this as follows:

Target	2024	2023	2022
< 7.5%	6.7%	6.6%	5.9%

Funds

Total funds at 31 December 2024 increased to £145.1m (2023: £123.8m) consisting of £25.9m in the unrestricted fund (2023: £6.7m) and £119.2m (2023: £117.1m) in the EEF.

The Trust continues to have adequate available resources to continue its charitable activities. The going concern statement for the Trust is included in the Trustees' Report.

Reserves

The objective of our reserves policy is to ensure that the Trust has sufficient liquid resources to meet its grant commitments and maintain flexibility in its grant-giving. Our principal source of income is the donations that we receive from our main trading subsidiary, EIO plc. As the insurance market is cyclical, and the income that we receive can fluctuate, we hold reserves to ensure that we can continue with our grant-giving in the event of a reduction in income. Our reserves policy is set by reference to the amount of cash and readily realisable assets that we hold in the general and designated unrestricted funds.

In setting the policy, the trustees consider the potential volatility in income arising from charitable giving risk, the management of which is outlined in the Principal Risks and Uncertainties section of this report.

The trustees have determined that the level of reserves that the Trust should hold in its unrestricted funds, in the form of cash and readily realisable assets, should be sufficient to cover six months forecast cash outflows. Target reserves at 31 December 2024 were £11.5m.

At 31 December 2024, the Trust held reserves of £33.4m, including £19.8m of donation income that was received in December. The majority of the Trust's charitable giving is paid in the second half of the year, due to the timing of Recurrent Grant payments to dioceses and cathedrals. The excess reserves held at the 2024 year-end will support the Trust's charitable giving in the second half of 2025, and the trustees therefore do not intend to take action to reduce the level of reserves held at this time.

Trading subsidiaries

The consolidated statement of financial activities is shown on page 73.

Net income

The principal activities of the Trust's trading subsidiaries throughout and at the end of the year remain the provision of general insurance and a range of financial services in the UK and overseas. A list of these undertakings is given in note 48 to the financial statements.

The trading subsidiaries reported net income of £60.2m[3] (2023: net income of £27.2m[3]), driven by substantial fair value gains on investments, reflecting better market conditions in 2024, and the strong performance of the insurance division.

The general insurance business reported profit before tax of £47.6m[3], a 95.9% increase on the prior year (2023: £24.3m[3] profit). Performance benefitted from benign weather conditions and a more stable claims environment. New business wins and rate strengthening contributed to a 4.1% increase in gross written premiums. The trading subsidiaries life business reported a loss before tax of £1.6m[3] (2023: £0.5m[3] profit).

The Broking and Advisory division reported a loss before tax of £6.6m[3], excluding £5.2m profit arising from L&W's disposal of its financial planning arm (2023: £2.5m[3] loss, excluding a £1.1m loss on disposal of L&W as an associate). Performance of the division continues to be impacted by the amortisation of goodwill following a number of acquisitions during 2023 and 2024.

The trading subsidiaries' Asset Management division reported a loss before tax of £4.9m[3] (2023: £6.5m[3] loss) driven by a reduction in assets under management. Market conditions were challenging as investor preference turned to passive funds.

Details of the key performance indicators for Benefact Group plc are found in the Strategic Report of its annual report and accounts. Copies of these accounts are available from the registered office, as shown on page 151, and are provided to members of the Trust.

During the year, the trading subsidiaries directly distributed £3.7m (2023: £3.1m) for charitable purposes.

No fund or subsidiary was in deficit at the end of the year.

[3] This is the result under UK Generally Accepted Accounting Practice (UKGAAP) which is the accounting basis under which the consolidated financial statements of the Trust are prepared. The majority of the trading subsidiaries prepare their own financial statements under International Financial Reporting Standards (IFRS).

Consolidated funds

The consolidated balance sheet is shown on page 75. At the year-end date, total net assets of the Benefact Trust group of companies including minority interests were £801.4m (2023: £771.0m).

The net assets of the Benefact Trust group of companies includes a recognisable net pension asset of £17.6m (2023: £19.8m). The Trust's trading subsidiaries operate two defined benefit pension schemes, both of which are closed to future accrual. The unrestricted surplus in the schemes increased by £19.5m in the year driven by a reduction in scheme liabilities arising from a 0.97% increase in the discount rate, partially offset by the return on plan assets and the unwinding of the discount on scheme liabilities. However, the recognisable surplus in the schemes decreased due to the increase in the discount rate. Further details relating to the trading subsidiaries' defined benefit pension schemes are included in note 41 to the consolidated financial statements.

Factors affecting future financial position and performance

The principal factor affecting the future position and performance of the Trust is the performance of its trading subsidiaries, which are the principal donor and source of funding for its charitable activities.

The Benefact Trust group of companies is exposed to volatility in financial markets either directly through the EEF or indirectly through its trading subsidiaries. Given ongoing geopolitical tensions and global uncertainty, including that arising from recently announced trade tariffs, market volatility is expected to continue. Changes from the new US administration in trade and tariff policies are not expected to directly impact the businesses of the Benefact Trust group of companies. These policy changes however may have implications for inflation and interest rate decisions.

Notwithstanding this, moderate growth and reducing inflation seem likely to improve market conditions over time. In this context, the Benefact Trust group of companies is committed to sustainable growth, supported by the inherent resilience of its businesses and well-established strategies in place.

More details of the principal risks and uncertainties to which the Trust is exposed, and how it manages them are included in the Principal Risks and Uncertainties section of this report.

Investments

Benefact Trust is the ultimate parent undertaking of Benefact Group, and full details of the Trust's investments in related undertakings are disclosed in note 48. The Trust's principal source of income is the donations it receives from EIO plc. The Board regularly discusses the rate of return it expects on its investment with the Benefact Group and monitors performance over rolling 5, 7 and 10-year periods. The expected rate of return was reviewed during 2024 and new targets set.

The EEF, which is linked for registration and accounting purposes to the Trust, was established to assist in diversifying the Trust's asset base and to reduce the concentration risk arising from its ownership of a financial services group. Recognising that the EEF is a separate charity, the Trust (as the EEF's sole trustee) decided to establish a separate EEF Investment Committee. The new Committee was established in December 2024 and will be chaired by Nick Sykes. The Trust will continue to have its own Finance and Investment Committee which will focus on financial matters and the Trust's investment in the Benefact Group. The amendment to the remit of the existing Finance & Investment Committee was agreed by the Board in December 2024 and the re-focused Committee will be chaired by Patrick Rudden.

Gradually building the size of the EEF has enabled the Trust (as the EEF's sole trustee) to grow a separate, more stable, income stream, for the benefit of the EEF's (and the Trust's) beneficiaries. In 2023, the Trust (as the EEF's sole trustee) considered the long-term strategy for the appropriate size of the EEF, balancing reserving and diversification requirements, with the needs of beneficiaries to receive income. It was determined that the target size of the EEF would be calculated based on an amount of £25m plus three years of forecast grant-making.

The EEF is invested through two investment fund managers: EdenTree Asset Management Limited (EdenTree) and Rathbones Investment Management Limited (Rathbones), who operate under the same investment policy. The performance of the investment managers is assessed against a benchmark over 1, 3, 5 and 10-year periods, dependent on the duration of their appointment. During the year, Owl Private Office Holdings Limited provided expert investment advice to the Trust (in the Trust's capacity as sole trustee of the EEF).

Owl Private Office Holdings Limited has been the Investment Advisor to the EEF since 2020 and their performance has been exemplary during this period. Following a tender exercise, Lane, Clark and Peacock LLP have been appointed Investment Advisor with effect from 7 February 2025. The Board thanks Owl Private Office Holdings Limited and, in particular, Andrew Wimble for the excellent support given to the EEF.

Investment policy

The principal investment objective of the EEF is to maximise long-term investment returns through a diversified portfolio with an acceptable risk profile. In 2023, the Corporate Trustee of the EEF undertook a major review of its Investment Policy, as a result of which it was agreed that both investment managers would be given identical global equity investment mandates. In addition, it was agreed that the EEF would invest in EdenTree's Short-Dated Bond Fund to improve the liquidity of the portfolio. During 2024, the global equity portfolios became fully established. In addition, an annual review of the Investment Policy was undertaken which resulted in minor changes only.

The EEF continues to adopt a screened approach to responsible and sustainable investment across three disciplines:

- Absence of Harm:
  - ◊ The 'absence of harm' screen excludes companies whose activities may be inconsistent with the wider values of the Trust or its beneficiaries. This means that the EEF will not invest in companies that are wholly or mainly involved in the manufacture or production of:
    - alcohol,
    - gambling,
    - pornographic and violent material,
    - strategic weapons (including indiscriminate weaponry),
    - tobacco, and
    - fossil fuel exploration and production and thermal coal.
  - ◊ 'Wholly or mainly' is taken to mean no more than 5% in the manufacture, production, distribution or sale. The only exception will be in the case of indiscriminate weaponry where a 'nil exposure' approach is taken. A proprietary Oppressive Regimes screen will also be applied in respect of identifying country human rights risk.
- Environment, Social and Governance ("ESG"):
  - ◊ An ESG portfolio risk overlay approach will be applied that considers how companies manage environment, social and governance (ESG) risk in the areas of business ethics, community, corporate governance, employment and labour, environment and climate change and human rights. This will ensure that companies manage and oversee their responsibilities and impacts, and in some circumstances can act as a brake on investment if they appear not to meet the desired standards.
- Positive Impact:
  - ◊ A discretionary thematic strand will be applied that seeks to have a positive impact. The EEF will look positively on investment in the areas of education, health and wellbeing, social infrastructure and sustainable solutions where there is also a compelling investment case.

Via its fund managers, the EEF seeks to exhibit high standards of stewardship and to engage proactively on ESG issues including climate change, human and labour rights (including Modern Slavery), business ethics and corporate governance.

Investment performance

The value of the EEF increased to £119.2m (2023: £117.1m) at 31 December 2024. The EEF generated £2.6m (2023: £3.7m) of dividend and interest income in the year and made donations totalling £9.9m (2023: £4.0m) to the Trust, to support its charitable giving.

Throughout 2024, investment markets were marked by a mix of cautious optimism and significant uncertainties. Central banks around the world maintained high interest rates in an effort to combat persistent inflation, which led to increased volatility within equity markets, lower bond prices and higher borrowing costs. Geopolitical tensions remained a key focus, with ongoing conflicts in Ukraine, strained relations between the US and China, and disruptions in the Middle East further contributing to market uncertainty. Despite these challenges, global equity markets performed strongly, primarily driven by the US and a few technology companies known as the 'magnificent seven'. Consequently, the EEF recognised net investment gains of £10.0m (2023: £7.3m net investment gains).

At the year end, the portfolio managed by EdenTree stood at £82.9m (2023: £81.0m), of which £52.7m (2023: £49.6m) was in a discretionary portfolio and £30.2m (2023: £31.4m) in EdenTree's open-ended investment company (OEIC) funds. During the year, the EdenTree discretionary portfolio delivered a return of +14.0% versus the composite benchmark's return of +19.8%. Over the longer-term the discretionary portfolio managed by EdenTree has underperformed its benchmark over 3, 5 and 10 years.

The discretionary portfolio managed by Rathbones stood at £36.3m (2023: £36.1m) at the year end. It delivered a positive return of +11.5% over the year, which was 8.3% behind the composite benchmark. The portfolio's performance suffered due to the difficult market conditions. The Rathbones portfolio has underperformed the benchmark over 3 years and also marginally underperformed over 5 years. As Rathbones commenced managing the EEF investments in 2018, benchmarking of its performance over 10 years is not applicable.

Climate change and environment

The table below provides details of the carbon footprint of the combined direct operations of the Trust and the companies that it owns. This information is presented in line with the Streamlined Energy and Carbon Reporting (SECR) requirements:

This table does not include the emissions relating to the Benefact Trust group of companies investment portfolio or its insurance underwriting activity.

	2024				2023			
Emissions source	UK tCO_2e	Non-UK tCO_2e	Total tCO_2e	Scope 1 & 2 tCO_2/ employee	UK tCO_2e	Non-UK tCO_2e	Total tCO_2e	Scope 1 & 2 tCO_2/ employee
Scope 1: fuel, fluorinated gas losses and fuel combustion in offices and company vehicles	116	15	131		142	7	149	
Scope 2: electricity and cooling in premises (location based)[1]	591	149	740		696	84	780	
Scope 2: electricity and cooling in premises (market based)[2]	109	146	255		97	75	172	
Scope 3: business travel[3], waste, water use	538	269	807		439	568	1,007	
Total CO_2e (market-based electricity)	763	430	1,193	0.51*	678	650	1,328	0.56*

tCO_2e is tonnes of CO_2 and equivalent gases.
[1]The average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)
[2]Emissions based on how an organisation buys its energy
[3]Air, rail, bus, taxi, ferry, car rental and vehicles owned and driven by an employee, driven for business purposes (grey fleet)
* Scopes 1,2 (market based) and scope 3

In 2024, total energy use is 4,570,001 kWh of which 3,841,221 kWh is UK and 728,780 kWh is non-UK based. In 2023, total energy use was 4,153,785 kWh of which 3,962,931 kWh is UK and 190,853 kWh is non-UK based. Scope 3 emissions reported as part of SECR mostly comprise business travel. A data discrepancy in 2023 contributed to an overstatement in reported emissions.

The Benefact Trust group of companies offsets its Scope 1 and 2 emissions through highly assured charitable projects to achieve 'net negative' for its direct impact.

Footprint methodology

The Benefact Trust group of companies has reported on all emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The reporting year runs from 1 September 2023 to 31 August 2024. The emissions reporting boundary is defined as all entities and facilities either owned by or under operational control of the Benefact Group of companies, that is, emissions relating to our premises and associated travel by staff in the UK, Ireland, Australia, and Canada.

The reporting comprises:

- Scope 1: emissions from fluorinated gas losses, oil and gas used to heat our offices, and fuel used in company vehicles.
- Scope 2: emissions from electricity, cooling, heat and steam used in our offices.
- Scope 3: emissions from business travel, waste and water use in our offices.

Calculating emissions from electricity scope 2 emissions is done in two ways:

- **Location based reporting** calculates emissions based on the average emission intensity of the local power grid, regardless of what electricity contracts are in place.
- **Market based reporting** reflects emissions from the specific electricity contract(s) purchased.

Location based electricity use shows emissions from physical consumption while market-based reporting reflects decisions made to purchase electricity on a zero-carbon tariff.

The above emissions are displayed in tonnes of carbon dioxide and equivalent gases (tCO_2e), have all been calculated using UK Government Greenhouse Gas reporting emission factors 2024 (Department for Environment, Food and Rural Affairs), and independently verified according to ISO – 14064-1 Specifications with Guidance for the Validation and Verification of Greenhouse Gas Statements.

Non-financial and sustainability information statement

The non-financial and sustainability reporting requirements relating to climate disclosures contained in section 414CB of the Companies Act 2006 are addressed below.

The Trust's Audit & Risk Committee (ARC) periodically reviews the risks to which it is exposed by way of a risk register that details the most material risks to the Trust, including climate risk. This is scored using a matrix that considers both materiality and probability of the risk occurring. The risk register has been developed by key management within the Trust and is discussed a minimum of twice a year at the ARC.

Benefact Trust is exposed to climate risk through investments held by the EEF, through the impact on its beneficiaries and through its ownership of Benefact Group, further details of each can be found below.

Risk / Opportunity	How this risk is managed	Timeline
Investments held in the EEF Exposes the Trust to transition risk within its investments.	The EEF has a screened approach to responsible and sustainable investment: investment in fossil fuels is excluded; and Environment, Social and Governance (ESG) portfolio risk overlay is applied; and investments that seek to have a positive impact are looked upon favourably. Further details of the EEF's investment policy can be found in the Investments section of the Strategic Report.	Timeline and impact dependent on speed and materiality of policy decisions, and wider market movements.
Impacts to beneficiaries Climate change may present different opportunities for the Trust to support beneficiaries going forward, including disaster relief / support following extreme weather as well as proactive or preventative measures. The needs of beneficiaries may change over time due to climate change, and the Trust may see a change in the profile of either the beneficiaries requesting support, or the nature of the grants requested.	The Trust's charitable giving strategy, which is incorporated into its Strategy and Business Plan 2024-2026, recognises the wide range of challenges facing its beneficiaries, including those arising from climate risk, and seeks to increase the Trust's impact in these areas. The Trust is aware of the possibility of beneficiary needs changing over time, whether this is through climate change, world events or societal change. A number of net zero projects have been supported during the year through the Trust's Strategic Partnership Grants programme, including a £1.5m grant to the Church of England and a £0.5m grant to the Scottish Episcopal Church.	Opportunities to support funding for preventative or proactive climate measures available in the short to medium term. In the medium to longer term these opportunities may move to support crisis relief/other adaptive measures.

Risk / Opportunity	How this risk is managed	Timeline
Ownership of the Benefact Group Through its ownership of Benefact Group, the Trust is exposed to physical risk primarily through Benefact Groups' insurance businesses, transition risks primarily through Benefact Groups' investments held and liability risks if Benefact Group fails in its obligations under climate. The Trust's carbon footprint includes that of the Benefact Group. Donations to the Trust from Benefact Group could also be impacted if any material climate risks aren't managed appropriately.	Benefact Group plc's Board has overarching responsibility for overseeing Benefact Group's response to climate change. A programme of activity is run to understand, manage and monitor Benefact Group's exposure to climate risk, including qualitative and quantitative assessments. Scenario analysis is used as a key tool for assessing and understanding climate risk. The primary climate risks to Benefact Group include physical risk through its insurance businesses and transition risk through its investments. Benefact Group operates internationally and is therefore impacted by a range of physical and transitional risks that may occur over different time periods. Benefact Group has committed to net zero targets over the short and long term. A wide range of metrics and targets are used across its climate programme including investment fund alignment with a 1.5-degree pathway, an underwriting footprint calculated to the Partnership on Carbon Accounting Financials methodology, the amount of giving to climate charities and carbon intensity per employee. Benefact Group assesses its performance against voluntary ClimateWise reporting which is aligned to Taskforce on Climate-related Financial Disclosures (TCFD) reporting and independently audited. The annual carbon footprint of the Benefact Trust group of companies is disclosed on page 33. More detailed information on Benefact Group's approach to environmental matters is included in a separate TCFD report available on Benefact Group plc's (BG plc) website.	Various timelines and impacts depending on territory. Acute, event-driven physical risks can occur over all time horizons, and chronic physical risks are typically longer-term. Transition risk is expected in the short to medium term. Liability risk has a short term timeline.

The Trust does not have a suite of Key Performance Indicators specifically in relation to measuring climate change, but this is monitored through investment performance monitoring and grants monitoring. Benefact Group has its own strategic goals and metrics that it reports on, which can be found in its TCFD report which is available on BG plc's website.

The Trust does not consider that the risks associated with climate change provides a threat to its ability to operate or continue to make grants.

Principal risks and uncertainties

The major risks to which the Trust is exposed are reviewed by the Board with the aid of external advisers. The Board can choose whether to accept a particular risk, manage it or to mitigate against it. It is recognised that it is not possible or cost-effective to mitigate all risks fully and therefore some risks are accepted. The direct and indirect risks associated with the current cost-of-living crisis continues to be considered by the trustees, as the impacts continue to affect the social and economic environment. All identified risks are monitored and assessed on an ongoing basis and actions taken where appropriate. The principal risks identified are detailed below together with a summary of the key mitigants in place to manage the risks.

Charitable Giving Risk

The risk of detriment to the Trust due to overexposure to one source of funding and capital, alongside the underperformance of the investments of the Trust or performance of the Benefact Group, which could adversely impact its ability to undertake charitable giving.

How they are managed

The Trust formally sets out its expectations of the Benefact Group. This is reviewed regularly and there is ongoing monitoring of the performance against these expectations.

The Finance and Investment Committee and the newly formed EEF Investment Committee are responsible for setting investment criteria and overseeing and reviewing the performance of the investment portfolios respectively.

A formal policy between the Trust and the Benefact Group specifies how the level of income donated via Gift Aid is determined and this is subject to regular review. Regular reporting is received from the Trust's principal asset, the Benefact Group, on its performance and through the trustees who act as 'common directors' with Benefact Group plc and its subsidiaries.

Limits have been established for the permitted range of investments held within the EEF to ensure a diversified portfolio with an acceptable risk profile. The EEF has two investment fund managers, EdenTree and Rathbones, to enable further diversification. During the year, independent investment advice was provided to the Trust (as sole trustee of the EEF) by Owl Private Office Holdings Limited, who provided twice-yearly investment monitoring reports to the Trust (acting in its capacity as sole trustee of the EEF). These appointments are regularly reviewed. Following a tender exercise, Lane, Clark and Peacock LLP have been appointed as investment advisor to the Trust (as sole trustee of the EEF) with effect from 7 February 2025.

The Trust's reserves policy, which can be found under the Finance Review section of this report, details the Trust's policy to maintain liquidity to ensure it can meet its grant commitments. This policy is reviewed at least annually. The Trust regularly reviews its strategy and diversification needs to ensure the level of this risk remains acceptable.

As the sole corporate trustee of the EEF, the Trust has determined that the target size of the EEF would be calculated based on an amount of £25.0m plus three years' of forecast grant-making. The EEF will continue to provide diversification of the Trust's assets to reduce the degree of concentration risk.

With the continuing economic challenges and volatility in the Investment Markets during the year, the risk continues to be very closely monitored, however it remains very remote. Regular updates were sought from the CEO of the principal asset and updates on investment performance from the Investment Advisor. A number of scenarios continue to be considered in respect of differing levels of income, to determine the appropriate action to be taken to ensure longevity of future charitable giving.

Regulatory Risk

The risk of public censure or regulatory intervention, as a consequence of failing to comply with relevant legislation, regulation and policies, ultimately leading to loss of public trust in the Trust.

How they are managed

The Trust has a dedicated resource to provide regular updates on relevant legislative or regulatory items to the Board and there is a regular formal training programme for all trustees. External expertise, including through the Trust's solicitors, is also utilised where required.

The level of this risk has remained unchanged over the course of the year.

Reputational Risk

The risk of damage to the reputation of the Trust in the eyes of its stakeholders and the broader community through the actions of any people associated with the Trust, its investments or from sectoral scandals resulting in a loss of confidence from the people and groups that the Trust seeks to assist.

How they are managed

Reputational risk is continually monitored by the Trust and regular updates are provided to the Board through the reporting provided at its meetings. The Trust has developed a Reputational Management Strategy to protect its reputation.

The Trust has a dedicated Head of Communications and Marketing and a Senior Content Marketing Specialist, and communications protocols are in place to ensure that any potential issues are managed appropriately and proactively. Ongoing monitoring of media is conducted to identify any potential issues.

The level of residual risk remains stable, with the trustees continuing to monitor any indirect reputational impacts from the ownership of the trading subsidiary, as well as any direct impacts from the Trust itself.

Strategy Risk

This is the potential for failing to, or being unable to, formulate and/or deliver an appropriate strategy, resulting in a failure to achieve the Trust's objectives, which are detailed under the 'Our Strategy 2024-2026' section in this report.

How they are managed

The Trust has a three-year Strategy and Business Plan, details of which can be found under the 'Our Strategy 2024-2026' section of this report. The trustees regularly review the effectiveness of the various strategic initiatives employed, and annually reviews its Strategy plan. Advice is also sought from external parties as part of this process.

An annual review of Board composition, skills and processes is undertaken to ensure their ongoing appropriateness and to identify any areas for improvement.

During 2023, the trustees set a new three year strategy 2024-2026 for the Trust. This risk continues to be monitored closely in light of the economic challenges and the potential challenges on income as detailed above under the Charitable Giving Risk.

Operational Risk

This is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. This includes business continuity events, financial crime, information security breaches and third-party failure, which could result in a failure to meet the Trust's objectives, full details of which can be found under the 'Our Strategy 2024-2026' section of this report.

How they are managed

The operational risks are managed through a robust control framework to ensure effective management. This includes ongoing training and induction processes for the trustees and staff and as well as those who provide arm's length support services to the Trust.

Business Continuity plans are in place and are subject to regular review.

The agreements in place with relevant third parties are regularly reviewed and updated to reflect the changing environment.

There have been no significant changes to this risk over the course of the year.

Section 172 statement

This statement provides an overview of how the trustees have fulfilled their duties to promote the success of Benefact Trust Limited and had regard to the matters set out in Section 172(1) of the Companies Act 2006, which is detailed below:

(1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to-

(a) the likely consequences of any decision in the long term,

(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the company.

Our stakeholders

We have identified and regularly review our stakeholders, as documented in the Trust's Governance Framework and Board Charter and our Strategy and Three-Year Business Plan. These stakeholders are at the core of the trustees' decision making.

Key stakeholders are our members, beneficiaries and other Christian partners, the Benefact Group, our employee staff (seconded from EIO plc), suppliers, the wider community and environment, and the Trust and Benefact Group's Regulators. Examples of the way the trustees have engaged with some of these stakeholder groups throughout the year are set out below.

Our approach to the long-term success of the company

We recognise that the long-term success of the Trust, and our ability to continue to help people, charities, and good causes, is dependent upon having regard to the interests of our stakeholders and ensuring that good governance is at the heart of the Trust's activities.

As the Trust receives its donated income from the Benefact Group, and receives grants from the EEF, trustees' decision making takes into account any potential impact on the Trust's sustainability and its ability to continue to carry out its charitable objects for the public benefit.

The trustees reviewed the Trust's grant-giving in 2024 to ensure its grants are directed effectively to support the Christian community and beneficiaries.

Crisis response

In 2024, Benefact Trust awarded eight grants to the value of just under £750,000 towards a number of crisis response initiatives including (i) two donations of £150,000 each to Christian Aid and Médecins Sans Frontières (MSF) running emergency appeals in response to the conflict in Gaza, (ii) a further donation of £108,000 to MSF for its relief work in Gaza and Lebanon (iii) a donation of £150,000 to World Vision to support humanitarian aid relief in Sudan, (iv) a donation of £50,000 to Citizens Advice in support of its UK emergency support helpline and (v) donations totalling £142,000 in support of the Jasper wildfires relief efforts in Canada. The Crisis Response programme is a closed programme where the Trust provides strategic grants to organisations providing direct relief to people in crisis situations in the UK, Ireland or overseas.

Cathedrals' Workshop Fellowship (CWF)

The CWF was founded in 2006, and offers apprentice stonemasons, carpenter/joiners, plumbers and electricians a recognised career path and a route to higher level qualifications. In September 2024, the trustees agreed to form a longer-term strategic partnership with CWF, supporting trainees for the period 2025-2029. In December 2024, an initial donation of £509,000 was awarded to fund the first year (2025) of the CWF Benefact Trust Heritage Skills Programme.

Church of England (CofE) Net Zero Carbon Church Demonstrator Project

The CofE's Demonstrator Churches project is part of the CofE's ambitious Net Zero Carbon Programme which aims to equip, resource and support all parts of the CofE to reduce carbon emissions from the energy used in its buildings, schools and through work-related transport by 2030. The project plans to support 30 churches per year to achieve net zero carbon or close to net zero carbon. The selected Demonstrator Churches will be required to meet certain criteria, as defined by the CofE, and will be spread geographically across England. In December 2023, the trustees agreed to form a longer-term strategic partnership with the CofE, supporting its Net Zero Carbon Church Demonstrator project and subsequently approved a proposal to provide funding in support of 30 Demonstrator Churches in 2024 and 2025 to the total value of £1.5m.

Scottish Episcopal Church Net Zero Early Adopters Awards Programme

The Scottish Episcopal Church (SEC) Net Zero Early Adopters Awards Programme aims to support churches across the SEC to achieve net zero and create a network of exemplary churches to inspire others across denominations. In December 2024, the trustees awarded £0.5m (over two years) to the SEC's Net Zero Early Adopters Awards Programme.

Further detail on the Trust's grant-giving, strategy and investments can be found in the Strategic Report on page 8.

For more detail on the Company's strategic objectives and how the Board operates please refer to the Strategic Report, on page 8, and Trustees' Report, on page 46.

Principal decisions

The trustees have the necessary skills and experience required to identify the impacts of their decisions on the Trust's stakeholders, and where relevant, the likely consequences of those decisions in the long term.

In line with the Miscellaneous Reporting Regulations 2018, and in accordance with the approach taken during the financial year under review, having considered the Trust's principal risks and uncertainties as detailed in the Strategic Report, the Trust made the following principal decision during the year ended 31 December 2024:

Crisis Response Grants programme

The Trust's Crisis Response Programme was established in 2021 and aims to provide support for people during times of crisis, either in the UK, Ireland or overseas. Funding is provided in response to a range of different types of crisis situations, and efforts focus on providing vital assistance to improve outcomes for people (e.g. by safeguarding human life, alleviating suffering, maintaining adequate living conditions or guaranteeing access to basic services and supplies).

In January 2024, following recommendation from the Grants Committee, the trustees reviewed and approved the Crisis Response Grants programme scoping document. The Board considered the programme's aims, beneficiary eligibility, award related specifics, the communication and marketing strategy, administration, reporting on impact assessments and measures of success. The Board challenged and scrutinised the scoping document to satisfy themselves that it was deliverable and robust.

Our strategy in action

The table below is a summary of key decisions and actions that have been taken during the year in respect of strategic and company performance and how they have had regard to the interests of, and impact on, stakeholders.

Our key stakeholders	Methods of engagement and outcomes
Members	
The Trust was registered as a company limited by guarantee and, in accordance with its articles of association, can have a maximum of 50 registered members. The interests of the Trust and its members are aligned with the common purpose of carrying out the objects of the Trust. This ensures that the views of beneficiaries and the wider Christian and charitable community are communicated to, and considered by, the Board as a whole.	There are open channels of communication between the Company and its members. The Company holds an annual general meeting (AGM). In 2024, the Trust was able to hold the AGM in person (with the option of joining remotely) and Members were invited to engage with the business of the AGM and raise questions. The Trust provides members with the option to receive an annual newsletter setting out the Trust's grant-giving and developments.

Beneficiaries and other Christian partners	
The Board's composition includes at least two trustees who are representative of the Trust's beneficiary base. This helps to ensure that the views of beneficiaries are communicated to, and considered by, the trustees. In addition, the Trust's Methodist Grant-Giving Committee includes at least three members with an understanding of the Methodist Church, helping to ensure that the Methodist Grants programme provides the support needed for Methodist churches and ministries.	We actively engaged with our beneficiaries and stakeholders to inform the development of our grant-making strategy. We also engaged in, and became more active members of, the Christian Funders' Forum by hosting and participating in their meetings, helping us to understand the challenges and opportunities across the sector. During 2024, we worked closely with known charity partners to respond to and support the most vulnerable in our communities.
The Benefact Group	
As the ultimate owner of the Benefact Group, trustees maintain an open and constructive relationship with the trading subsidiaries. The Trust aims to have at least two common directors who are on the Board of the Trust and Benefact Group. This enables the trustees to receive regular updates from, and maintain oversight of, the Trust's subsidiaries. There is also regular engagement between the Chair of the Trust Board and the Chair of BG plc (who also serves as Chair of EIO plc), as well as with BG plc's Group Chief Executive Officer (Group CEO) (who also serves as EIO plc's CEO) who provides an update to the trustees at every Board meeting.	The Benefact Group CEO presents a report at every Board meeting, providing trustees with a high-level overview of the financials, and a general update of any key developments, from across the Benefact Group. In addition, throughout the year presentations were given by other Benefact Group executives to help trustees better understand strategic initiatives implemented throughout the Benefact Group. The trustees were invited to attend the Benefact Group's leadership conference in June 2024, which enabled them to maintain their oversight of the Trust's subsidiaries.
Employees	
The Charity does not have any employees. Instead, all staff who undertake work on the Trust's behalf are employed by EIO plc. The Section 172 Statement for EIO plc explains EIO's policy and strategy in relation to its employees. Nevertheless, the Board understands that individuals who work on behalf of the Trust are its most valuable assets, given their specialist knowledge and propensity to go above and beyond.	The Board receives regular updates from individuals on a range of matters. In addition, the Trust Director provides a quarterly resource update to the Board.

Suppliers	
The Trust does not have a supply chain itself but uses the services of EIO plc under the terms of its Shared Services Agreement. The Charity recognises its responsibility, as well as that of its subsidiary, to ensure business activities are undertaken in accordance with regulatory requirements and best practice. For further information on the Trust's recognition of its responsibility towards its supply chain, please see its Modern Slavery Act Statement available on its website.	The Board and the Finance and Investment Committee received regular updates on the performance of its subsidiary throughout the year.

Community and environment	
As detailed in the Strategic Report, directors are focused on long term and strategic charitable giving.	The Trust launched its Community Impact Grants programme in 2023 which aims to fund work that will have a positive and transformative impact on lives and communities, with particular focus on: • growing church congregations and communities; • addressing social challenges facing communities; and • improvement of church buildings to enable wider community use. The Trust also launched the Building Improvement Grants programme in 2023, providing essential support to protect and enhance church and Christian charity buildings and to support energy efficiency/ renewable energy measures. The Trust, (as the EEF's sole trustee), reviewed the EEF's investment assets, which included looking at the ESG policy and impact investment, amongst other things. Recommendations from this review in relation to these matters will continue in 2025.

Regulators	
We recognise the importance of open and honest dialogue with regulators and are committed to complying with applicable legislation and regulation. As a registered charity, the Trust is regulated by the Charity Commission. Trustees receive regular reports on evolving legal, regulatory and compliance matters at each board meeting, incorporating a detailed impact and progress assessment.	The Trust (via the Finance and Investment Committee) considered the Charity Commission's guidance regarding investing charity money. A gap analysis was undertaken to ensure that the Trust was in line with the Commission's expectations and the outcome demonstrated compliance with the new guidance.

The Strategic Report of Benefact Trust Limited was approved by the Board and signed on its behalf by

Tim Carroll
Chair

1 May 2025

Trustees’ Report

(incorporating the Directors’ Report for the year ended 31 December 2024)

The trustees, who are the directors of the charitable company for Companies Act 2006 purposes, are pleased to present their annual report and review together with the audited financial statements of the Charity and the Benefact Trust group of companies for the year ended 31 December 2024. In this report they are referred to as the trustees or, collectively, as the Board.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Trust’s articles of association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

As permitted by Section 414 C (11) of the Companies Act 2006, some matters required to be included in the Trustees’ report have instead been included in the Strategic Report. These disclosures are incorporated by reference in this Trustees’ Report. The Strategic Report can be found on pages 8 to 45.

Governance

Corporate governance

We are committed to applying the highest standards of corporate governance and believe that the affairs of the Trust should be conducted in accordance with best practice. We comprehensively review our governance practices and procedures in the light of the Charity Governance Code (the Code), which was most recently refreshed in December 2020. We confirm that the Trust is compliant with the Code.

Governing document

Benefact Trust was incorporated (as Allchurches Trust Limited) in 1972 in England and Wales. It is a company limited by guarantee not having a share capital and is a registered charity.

The governing documents are the articles of association.

In accordance with the articles of association, Benefact Trust in a general meeting may admit any person to membership provided the total number of members does not exceed 50. In the event of Benefact Trust being wound up, the liability of each of the members is limited to £1. A member has the ability to affect the governance of the charity by voting at its AGM (including on the election, re-election and removal of trustees and on any changes to the Charity’s articles of association) and thereby influence the way the charity is run. Members are also responsible for receiving and adopting the Charity’s report and accounts; voting on the appointment or removal of external auditors; and voting on any changes to the Charity’s name or articles of association.

Organisation

The body responsible for the management, actions and decisions of Benefact Trust is the Board of trustees. The Board meets at least five times a year.

The Board seeks to ensure that all activities comply with UK law and regulatory guidance and achieve agreed charitable objectives. Its work includes setting the strategic direction of the Trust, developing its objectives and policies, reviewing the performance of trading subsidiaries and delivering the outcomes for which the Trust was established.

The Board has established a Finance and Investment Committee, an Audit and Risk Committee, a Nominations Committee, a Grants Committee and a Methodist Grant-Giving Committee. In addition, the EEF has recently established an Investment Committee.

The Finance and Investment Committee has three scheduled meetings a year and primarily oversees the Trust's financial affairs and its investment strategy in the Benefact Group. Its members are Patrick Rudden (Chair), Francois Boisseau, and Nick Sykes. Caroline Banszky retired as a member of the Committee on 26 April 2024. Tim Carroll stepped down as Chair and member of the Committee on 31 December 2024.

The Audit and Risk Committee has four scheduled meetings a year. It is responsible for the appropriateness of the Trust's financial reporting, the rigour of the external audit processes and the effectiveness of the risk management framework. Its members are Ian Moore (Chair), David Paterson and Denise Cockrem. Sir Stephen Lamport retired from the Committee on 5 March 2024 and Tim Carroll retired as a member of the Committee on 31 December 2024.

The Nominations Committee has two scheduled meetings a year. Its remit includes reviewing the structure, size, composition and effectiveness of the Board and its committees; overseeing the recruitment and induction of new trustees; the professional development of all the existing trustees; and considering succession planning and the membership needs of the Trust. Its members are Tim Carroll (Chair), David Paterson and Revd Paul Davis.

The Grants Committee has five scheduled meetings a year. It is responsible for overseeing and advising the Board on the further development of the Trust's grant-giving strategy, processes and other arrangements; and advising and making recommendations to the Board on grant applications. Its members are Revd Paul Davis (Chair), Tim Carroll, David Paterson and Caroline Coombs. The Venerable Karen Lund retired as a member of the Committee on 5 March 2024.

The Methodist Grant-Giving Committee has three scheduled meetings per year. Its remit is to consider applications from, and grants to, Methodist beneficiaries. Its members are David Crompton (Chair), Louise Wilkins, Caroline Coombs and Revd Ian Rutherford. Revd Linda Barriball resigned from the Committee on 20 June 2024.

The EEF is governed by the Board of the Corporate Trustee and meets regularly throughout the year. The EEF Board established an Investment Committee in December 2024. It will have three scheduled meetings a year and primarily oversees the EEF's investment strategy and performance. Its members are Nick Sykes (Chair), Francois Boisseau and Patrick Rudden.

The day-to-day management of the Trust is undertaken by the Trust Director, Company Secretary and senior executive staff.

Board procedures have been established setting out a framework for the conduct of trustees, with clear guidelines as to the handling of any conflicts of interest and the standard of behaviour, responsibilities, and best practice expected of them in fulfilling their obligations to the charity.

Trustees are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role. No trustee sought independent professional advice in the current or prior year. Trustee remuneration and expenses are disclosed in notes 27 and 10 to the financial statements.

Appointments to the Board

We aim to have a diverse group of trustees, with a balance of necessary skills and experience, who are broadly representative of the communities the Trust serves. Dialogue with stakeholders that Benefact Trust serves takes place in identifying potential candidates for the Board. The Board will advertise and engage external search consultants (where appropriate), as per its Board Equality, Diversity and Inclusion Policy.

In accordance with the articles of association, the Board may at any time appoint any person to be a trustee either to fill a casual vacancy or in addition to the existing trustees. Any such person appointed must retire at the following AGM and will be eligible for election by the members. In certain circumstances, the articles of association permit a member to propose a trustee for election in general meetings.

The names of the trustees at the date of this report are stated on page 151.

Francois Boisseau and Ian Moore will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM. Sir Stephen Lamport, and The Venerable Karen Lund resigned from the Board on 5 March 2024 and Caroline Banszky resigned from the Board on 26 April 2024.

Caroline Coombs was appointed to the Board on 2 May 2024. Denise Cockrem was appointed to the Board on 1 October 2024 and will seek election at the forthcoming AGM. Revd Canon Sarah Brown was appointed to the Board on 4 March 2025 and will seek election at the forthcoming AGM.

The trustees are covered by qualifying third-party indemnity provisions which were in place throughout the year and remain in force at the date of this report.

Board Equality, Diversity and Inclusion

The primary responsibility of the trustees is to conduct the affairs of Benefact Trust in a manner which best enables the Trust to fulfil its charitable objectives. Appointments to the Board of the Trust are made which will best enable the trustees to discharge that responsibility.

We recognise the benefits of having a diverse Board. We believe that recognising and encouraging diversity, including in respect of gender, is essential to strengthening the Trust's ability to meet its objectives.

When considering our approach and commitment to the principles of equality, diversity and inclusion, we have agreed the following commonly used definitions:

- Equality means ensuring every individual has equal opportunities; equality means treating people in ways that make sure they are not unfairly prevented from accessing resources and opportunities nor that others have an unfair advantage.
- Diversity means having differences within an organisation or setting.
- Inclusion means being proactive to make sure people of different backgrounds, experiences and identities feel welcomed, respected and fully able to participate.

The Board has already taken steps over the last few years to increase the degree of diversity on the Board.

The Board has set the following objectives:

- Continue to achieve at least 33% female trustees on the Board;
- Ensure that the Board composition comprises at least one trustee from United Kingdom Minority Ethnic (UKME);
- Ensure that the Board broadly reflects the wider Christian family;
- Ensure that the recruitment process reflects the Board's commitment to its equality, diversity and inclusion policy, and takes account of the Charity Governance Code's Principle 6 (Equality, Diversity and Inclusion);
- Engage solely with executive search firms who have signed up to the voluntary Code of Conduct on both gender and ethnic diversity and practice.

Following retirements in Spring 2024, the Board faced diversity challenges on female and UKME representation. Caroline Coombs was appointed in May 2024 and Denise Cockrem was appointed in October 2024. In addition, Revd Canon Sarah Brown was appointed in March 2025. The Board recognised that it slightly fell short of its 33% target for female representation and does not meet its target for UKME representation. Both of these targets are being actively addressed. The Board is satisfied that its composition reflects the wider Christian family. The Trust engages agencies, whom have signed up to the voluntary Code of Conduct, to assist with trustee and executive recruitment searches where it is appropriate to do so. The Board, via its Nominations Committee, reviews its objectives yearly.

Trustees' induction and training

On acceptance of a position on the Board, all trustees receive a comprehensive welcome pack, which includes their appointment letter and terms. All trustees are required to undertake a formal and comprehensive induction to the Trust and its trading subsidiaries upon joining the Board.

The induction is a two-stage process and is primarily undertaken by the Secretariat. The programme is also offered to other trustees as a refresher every two years and when a programme is being run. New trustees also meet individually with the Chair, Senior Independent Director and each of the Executive Directors of Benefact Group plc.

In addition, all trustees participate in a continuing professional development programme.

Board Evaluation

The trustees have agreed to undertake an external Board Evaluation at least every three years, the most recent carried out during 2022/23.

The main findings arising from the evaluation related to improvements to impact assessments for grant-making; reviewing the ESG strategy; developing an overarching risk appetite statement aligned to the Trust's strategy; enhancing the assessment of skills for trustees and staff and building skill gaps and training into succession plans; and a continued focus on improving diversity.

In response to the findings, the Trust actively targeted impact reporting as a strategic initiative during 2024 which will continue during 2025. The overarching risk appetite statement has been developed and approved by the Board and an enhanced skills assessment has been agreed and used to assess the skill gaps of the Board. A succession plan for staff has also been reviewed by the Nominations Committee. The Board will continue to focus on Board diversity.

All trustees receive an annual individual review with the Chair. The Chair is appraised by the Board, in his absence, led by the Senior Independent Trustee.

Related parties

Related parties of the Trust include its subsidiary undertakings. A full list of the Trust's related undertakings is disclosed in note 48 to the financial statements. All subsidiaries listed are included in the consolidated financial statements.

Where it is sensible and appropriate to do so in terms of efficiency and the prudent use of resources, the Trust uses facilities and services provided by EIO plc for administrative support. Some of the services provided are donated by EIO plc and others are recharged.

None of the trustees receive any remuneration or other benefit from their work with the Trust. Details of remuneration received by trustees in their capacity as directors of subsidiary undertakings is disclosed in note 27.

A conflicts register is maintained by the Company Secretary to monitor and manage any potential conflicts of interest. Training on the Companies Act 2006 and Charities Act 2011 has been given to all trustees and they are regularly reminded of their duties. Any conflicts are declared at the first board meeting at which the trustee becomes aware of the potential conflict and are then recorded in the conflicts register. The Board considers all conflicts in line with the provisions set out in the Company's articles of association. The trustees are required to review their interests recorded in the conflicts register twice a year.

Remuneration policy

The day-to-day management of the Trust is undertaken by the Trust Director, Company Secretary and senior executive staff, who, with the trustees, are the Trust's key management personnel.

Remuneration of key management personnel is disclosed in note 11 to the financial statements.

All trustees give their time freely and no remuneration was received by any trustee in the year. The articles of association include a power to pay a chairperson but no such fee has been paid to date. Details of trustees' expenses are disclosed in note 10 to the financial statements.

Benefact Trust itself has no employees, but uses staff employed by a subsidiary company to undertake its charitable activities. These employee costs are recharged to the Trust. The remuneration policy for the Benefact Group can be found in the Group Remuneration Report of the Benefact Group plc annual report and accounts which are available from the registered office, as shown on page 151.

Charitable giving policy

The Board regularly reviews its charitable giving policy to ensure it reflects the changing circumstances of the Trust, its strategic direction, its objects and its beneficiaries' needs, and thereby advances public benefit. A copy of the Trust's charitable giving policy can be found in 'Our Policies' in the 'About Us' section of our website.

Delegated grant-making authority enables the Head of Grants to approve small grants with a value of up to £10,000, with larger grants of up to £150,000 being considered and approved by the Grants Committee. All grants in excess of £150,000 were referred to the Board for discussion and final approval. All grant payments were checked and signed off by the Trust Director (or the Company Secretary in her absence) prior to funds being released.

Consideration of applications under the Methodist Grants Programme, which seeks to promote the mission and ministry of the Methodist Church in Great Britain and the Methodist Church in Ireland, is delegated by the Board to the Methodist Grant-Giving Committee. All charitable giving made under this delegated authority is disclosed to the Board at its next meeting.

Charitable giving by subsidiaries

The trading subsidiaries of Benefact Trust have an organised programme of direct community investment independent of the Trust, which is managed centrally by Benefact Group's Impact team and at business unit level by local management. Through this programme they seek to fulfil their position as responsible businesses, to build and support their customers and brand, and to engage their people. It operates in two key ways: (i) supporting projects and partnerships important to customers and communities; and (ii) providing charitable support for employees to give to causes close to their hearts.

Political donations

As a charity, the Trust is not permitted to make political donations. It is the policy of the Trust's main trading subsidiaries not to make political donations.

Climate change and environment

Information about the approach to climate change and the environment is provided in the Strategic Report.

Going concern

A review of the financial position and performance of the Trust and its trading subsidiaries has been outlined in the Strategic Report together with a description of the principal risks and uncertainties faced by the Trust.

The Trust has considerable financial resources: the unrestricted fund has cash at bank and in hand of £33.4m and no borrowings (2023: cash at bank and in hand of £13.0m and no borrowings); and the EEF has financial investments of £118.6m, 100% of which are liquid (2023: financial investments of £114.0m, 100% of which are liquid). Charitable giving is the charity's largest expense and grants are awarded at the discretion of the trustees.

The Trust's subsidiary group has considerable financial resources: financial investments, excluding funeral plan investments, of £997.0m, 77% of which are liquid (2023: £955.1m, 81% of which are liquid) and cash and cash equivalents of £136.7m (2023: £166.8m). Liquid financial investments consist of listed equities and open-ended investment companies, government bonds and listed debt. The subsidiary group continues to have a strong risk management framework and solvency position, is well placed to withstand significant market disruption and has proved resilient to stress testing.

Despite economic pressures and challenges, given the liquidity position of the Benefact Trust group of companies, and the capital strength of the Benefact Group, there is a reasonable expectation that the Benefact Trust group of companies has adequate resources and is well placed to manage its risks successfully and continue in operational existence for at least 12 months from the date of this report.

Accordingly, the trustees continue to adopt the going concern basis in preparing the annual report and accounts.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Benefact Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and the Disclosure of Information to the Auditors

In accordance with Section 418, trustees' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

a. so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and

b. the trustee has taken all the steps that they ought to have taken as a trustee in order to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that PricewaterhouseCoopers LLP be appointed as the independent auditors of the Trust will be put to the annual general meeting.

Equality, Diversity and Inclusion

Benefact Trust and its subsidiaries are committed to nurturing a culture and work environment in which all colleagues can fulfil their potential. Benefact Group's Equality and Diversity Standard and Guidance sets out expectations for an open and inclusive workplace. The care and wellbeing of all our colleagues is placed at the heart of our employment policies.

Throughout the employee lifecycle from recruitment onwards, the Benefact Trust group of companies carefully consider adjustments to processes and practices and look for solutions to remove barriers for those colleagues with disabilities.

When needed, we engage with third-party and Occupational Health specialists who provide us with expert advice and ensure we are offering the best support we can. Through our adjusted work approach we provide an environment in which colleagues with additional needs can fully participate in all opportunities provided by the Benefact Trust group of companies from continued employment to training, job moves and promotions. We offer a range of support for colleagues to help them maintain a healthy work and home life including: flexible working practices, virtual GP service, Employee Assistance Programme, Flu Vaccinations and Eye tests as well as a wide variety of flexible benefits such as dental care and critical illness insurance.

Further information on diversity and inclusion can found in the Responsible Business Report of the Benefact Group plc annual report and accounts which are available from the registered office, as shown on page 151.

The Trustees' Report of Benefact Trust Limited was approved by the Board and signed on its behalf by

Tim Carroll

Chair

1 May 2025

Independent Auditors' Report to the Members of Benefact Trust Limited

Report on the Audit of the Financial Statements

Opinion

In our opinion, Benefact Trust Limited's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's and parent charitable company's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at 31 December 2024; the consolidated statement of financial activities (incorporating a consolidated income and expenditure account) and the charity statement of financial activities (incorporating an income and expenditure account) and the consolidated and charity statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and charity's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Trustees' Report for the period ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 trustees are responsible for assessing the group's and parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to breaches in UK regulation, such as those governed by the Charities Act 2011, Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate the financial statements, as well as management bias in accounting estimates, in particular the valuation of specific general insurance contract liabilities including Physical and Sexual Abuse ("PSA") reserves. Audit procedures performed by the engagement team included:

- Enquiries of compliance, risk, internal audit and the Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Read key correspondence with the regulators, including Charity Commission for England and Wales, Prudential Regulation Authority and the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewed relevant minutes of meetings including those of the Group Board, Group Audit Committee and Group Risk Committee;
- Procedures related to the valuation of specific general insurance contract liabilities such as PSA reserves;
- Identifying and testing journal entries, including journal entries posted with unusual account combinations to income and expenditure accounts and other risk based target testing over journal entries which were identified as potentially being indicative of a fraudulent journal;
- Procedures to incorporate unpredictability around the nature, timing or extent of our testing; and

- Assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the parent charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Daniel Chan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

01 May 2025

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2024

	Notes	2024			2023		
		Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income and endowments from:							
Donations	3	**3,226**	-	**3,226**	870	-	870
Investments							
Donations from subsidiary undertaking	4	**33,000**	-	**33,000**	13,000	-	13,000
Dividend and interest income	5	**184**	**2,586**	**2,770**	194	3,719	3,913
Total income		**36,410**	**2,586**	**38,996**	14,064	3,719	17,783
Expenditure on:							
Raising funds		-	**(427)**	**(427)**	-	(347)	(347)
Charitable activities							
Charitable giving - grants	6	**(25,358)**	-	**(25,358)**	(23,447)	-	(23,447)
Other expenditure on charitable activities	7	**(1,714)**	-	**(1,714)**	(1,539)	-	(1,539)
Total expenditure		**(27,072)**	**(427)**	**(27,499)**	(24,986)	(347)	(25,333)
Net gains on investments	12	-	**10,001**	**10,001**	-	7,258	7,258
Taxation	8	-	**(141)**	**(141)**	-	(133)	(133)
Net income/(expenditure) in the year		**9,338**	**12,019**	**21,357**	(10,922)	10,497	(425)
Transfers between funds							
Gross transfers to the unrestricted fund	16	**9,904**	**(9,904)**	-	3,956	(3,956)	-
Net movement in funds		**19,242**	**2,115**	**21,357**	(6,966)	6,541	(425)
Reconciliation of funds:							
Total funds brought forward		**6,697**	**117,097**	**123,794**	13,663	110,556	124,219
Total funds carried forward		**25,939**	**119,212**	**145,151**	6,697	117,097	123,794

The accompanying notes on pages 62 to 72 are an integral part of the charity's financial statements. All income relates to continuing operations. The charity had no other recognised gains or losses during the current or prior year other than those included in the charity statement of financial activities.

CHARITY BALANCE SHEET

at 31 December 2024

	Notes	2024 Unrestricted funds £000	2024 Endowment funds £000	2024 Total funds £000	2023 Total funds £000
Fixed assets					
Investments	12	**50**	**118,555**	**118,605**	114,090
Total fixed assets		**50**	**118,555**	**118,605**	114,090
Current assets					
Debtors	13	**20**	**109**	**129**	165
Cash at bank and in hand	14	**33,391**	**617**	**34,008**	15,908
Total current assets		**33,411**	**726**	**34,137**	16,073
Liabilities					
Creditors: amounts falling due within one year	15	**(5,847)**	**(69)**	**(5,916)**	(4,962)
Net current assets		**27,564**	**657**	**28,221**	11,111
Total assets less current liabilities		**27,614**	**119,212**	**146,826**	125,201
Creditors: amounts falling due after one year	15	**(1,675)**	-	**(1,675)**	(1,407)
Total net assets		**25,939**	**119,212**	**145,151**	123,794
The funds of the charity:					
Unrestricted funds					
General funds	16	**21,829**	-	**21,829**	4,519
Designated funds	16	**4,110**	-	**4,110**	2,178
		25,939	-	**25,939**	6,697
Restricted funds					
Endowment funds	16	-	**119,212**	**119,212**	117,097
Total funds		**25,939**	**119,212**	**145,151**	123,794

The charity has no restricted income funds.

The accompanying notes on pages 62 to 72 are an integral part of the charity's financial statements.

The analysis of the prior year comparatives by fund is included in notes 12 to 16.

The financial statements of Benefact Trust Limited, registration number 1043742, on pages 59 to 72 were approved and authorised for issue by the Board on 1 May 2025 and signed on its behalf by:

Tim Carroll
Chairman

Revd Paul Davis
Trustee

CHARITY STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities:			
Net income/(expenditure) for the reporting period		**21,357**	(425)
Adjustments for:			
Gains on investments		**(10,001)**	(7,258)
Dividend and interest income from investments		**(2,770)**	(3,913)
Increase in debtors		**(1)**	(3)
Increase in creditors		**1,216**	384
Taxation paid		**141**	133
Net cash provided by/(used in) operating activities		**9,942**	(11,082)
Cash flows from investing activities:			
Dividend and interest income from investments		**2,690**	4,000
Proceeds from the sale of investments		**22,190**	79,229
Purchase of investments		**(16,704)**	(76,396)
Net cash provided by investing activities		**8,176**	6,833
Change in cash and cash equivalents in the reporting period		**18,118**	(4,249)
Cash and cash equivalents at the beginning of the reporting period		**15,908**	20,225
Change in cash and cash equivalents in the reporting period		**18,118**	(4,249)
Change in cash and cash equivalents due to exchange rate movements		**(18)**	(68)
Cash and cash equivalents at the end of the reporting period	14	**34,008**	15,908

As the charity had no borrowings in the current or prior year, the change in cash and cash equivalents is the only change in the charity's net debt in the reporting period.

The accompanying notes on pages 62 to 72 are an integral part of the charity's financial statements.

1 Accounting policies for charity parent only

Benefact Trust Limited is incorporated in England and Wales. It is a company limited by guarantee and a registered charity. The material accounting policies adopted in preparing the charity financial statements are set out below.

Basis of preparation

The financial statements of the charity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); Financial Reporting Standard 102, issued March 2024 (FRS 102); and the Companies Act 2006 (the Act). The historical cost convention has been applied, as modified by the revaluation of certain financial assets measured at fair value through profit and loss.

The charity meets the definition of a public benefit entity under FRS 102.

A review of the financial position and performance of the charity and its trading subsidiaries has been outlined in the Financial Review section of the Strategic Report, together with a description of the principal risks and uncertainties faced by the charity.

The Trust has considerable financial resources: the unrestricted fund has cash at bank and in hand of £33.4m and no borrowings (2023: £13.0m and no borrowings); and the Expendable Endowment Fund (EEF) has financial investments of £118.6m, 100% of which are liquid (2023: financial investments of £114.0m, 100% of which are liquid). Charitable giving is the charity's largest expense and grants are awarded at the discretion of the trustees. In addition, the charity's subsidiaries have considerable financial resources which are sufficient to meet their own financial obligations as outlined in consideration of the going concern status of the Benefact Trust group of companies in the Trustees' Report. As a consequence, the trustees have a reasonable expectation that the charity is well placed to manage its business risks successfully and continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts of the charity.

The charity financial statements are stated in sterling, which is the charity's functional and presentational currency.

Changes in accounting policy

In March 2024, the Financial Reporting Council (FRC) introduced significant amendments to FRS 102 to improve the quality of financial reporting. These changes aim to better align FRS 102 with International Financial Reporting Standards (IFRS) in key areas, ensuring the provision of reliable and useful information. The amendments are designed to enhance comparability, minimise differences with IFRS, and ensure that entities account for transactions accurately and consistently.

These amendments are effective for accounting periods beginning on or after 1 January 2026. Early adoption is permitted, provided that all amendments are applied at the same time.

The charity has elected to early adopt the amendments for this financial year.

There are no changes to the charity's financial statements on transition.

Fund structure

Unrestricted funds of the charity consist of general funds and designated funds. General funds are available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities adopted by the charity as set out in the Strategic Report. Designated funds are unrestricted funds that have been set aside by the trustees for a particular purpose, as set out in note 16. The EEF is registered with the Charity Commission as a charitable trust linked to the Trust (charity registration number 263960-1) for registration and accounting purposes. The Trust, as the Sole Trustee of the EEF, has the power to convert endowment funds to expendable income. The Trust remains the reporting charity and produces only one set of accounts which includes the EEF.

Income

Donations

Donations are recognised on an accruals basis at the point at which it is probable that the charity will receive the income and the amount receivable can be reliably measured.

Donated services

Donated services are an estimate of the value to the charity of management and administration services provided by subsidiary undertakings to the charity but not recharged. They are recognised on an accruals basis. An equal amount is included in expenditure on charitable activities.

Income (continued)

Investment income - donations from subsidiary undertakings

Donations from subsidiary undertakings are recognised on an accruals basis at the point at which it is probable that the charity will receive the income and the amount receivable can be reliably measured. The donations that the charity receives from its subsidiary undertakings are distributions from equity, and are recognised as investment income in the statement of financial activities.

Dividend and interest income

Dividends on equity securities are recognised on the ex-dividend date. Interest is recognised as it accrues. Dividends from overseas equities are grossed-up for irrecoverable withholding tax.

Expenditure

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Raising funds

Raising funds comprises the investment management fees incurred by the EEF and are recognised as an expense in the period in which the services are received.

Charitable activities

Charitable giving

Charitable giving consists of grants approved in the year, net of returned grant payments and grant offers withdrawn. Charitable giving is recognised when the grant application is approved. Returned grants are recognised when received. Withdrawn grants are recognised when the withdrawal of the grant offer is communicated. Charitable giving which is contingent upon the satisfaction of certain conditions within the charity's control is not recognised until those conditions have been satisfied. Where conditions exist outside of the charity's control and the charity has no reasonable expectation that the condition will not be met, the charitable giving is recognised.

Other expenditure on charitable activities

Other expenditure on charitable activities includes shared costs (which contribute directly to more than one activity, such as expenses in respect of grant officers) and support costs (which are not attributable to a single activity, such as governance, finance and IT costs) including donated services. The bases for allocating costs to the specific activities are disclosed in note 7 .

Net gains/(losses) on investments

Unrealised gains and losses are calculated as the difference between carrying value and the original cost, and the movement during the year is recognised in the statement of financial activities. The value of realised gains and losses includes an adjustment for previously recognised unrealised gains or losses on investments disposed of in the accounting period.

Taxation

Benefact Trust Limited and its linked charitable trust, the EEF, is a UK registered charity and is therefore exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. Irrecoverable tax withheld from overseas dividend income in the EEF is recognised when the dividend is received.

Transfers between funds

Transfers between the funds are accounted for on an accruals basis and are recognised when the transfer is approved by the relevant Board.

Financial instruments

The charity has elected to apply the recognition and measurement provisions of IFRS 9 *Financial Instruments* , issued by the International Accounting Standards Board as adopted by the UK.

(i) Classification and measurement

All financial assets are initially recognised at fair value, plus or minus (in the case of a financial asset not at fair value through profit or loss (FVTPL) transaction costs that are directly attributable to the acquisition of the financial instrument. Classification and subsequent measurement of financial assets depends on the charity's business model for managing the financial assets and the contractual terms of the cash flows.

The trustees consider that the carrying value of those financial assets and liabilities not carried at fair value in the financial statements approximates to their fair value.

Debt instruments

All debt instruments held by the charity are measured at FVTPL. Changes in the fair value of equity instruments at FVTPL are recognised in net gains/(losses) on investments in the statement of financial activities.

Equity instruments

By default, the charity classifies and measures equity investments at FVTPL. Changes in the fair value of equity instruments at FVTPL are recognised in net gains/(losses) on investments in the statement of financial activities.

(ii) Impairment

The charity recognises a forward-looking loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost. ECL is an unbiased, probability-weighted estimate of credit losses and considers all reasonable and supportable information. The impairment methodology applied depends on whether there has been a significant increase in credit risk or default.

The charity has elected to apply the simplified approach permitted by IFRS 9 and recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the charity's historical credit loss experience, adjusted for current and forecast economic conditions.

For all other financial instruments, the charity recognises a lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the charity measures the loss allowance for that financial instrument at an amount equal to a 12-month ECL. A lifetime ECL represents the expected losses that will result from all possible default events over the expected life of a financial instrument. A 12-month ECL represents the portion of the lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. A financial asset is written off to the extent there is no reasonable expectation of recovery. Any subsequent recovery in excess of the financial asset's written down value is credited to net income/(expenditure).

Impairment losses are presented within other expenditure on charitable activities in the statement of financial activities.

Investment in subsidiary undertakings

Investment in subsidiary undertakings are accounted for at historic cost less impairment.

Cash at bank and in hand

Cash at bank and in hand includes short term deposits at amortised cost, which are highly liquid investments with original maturities of three months or less. Cash at bank and in hand equates to cash and cash equivalents in the statement of cash flows.

2 Critical accounting judgements and key sources of estimation uncertainty

There were no critical accounting judgements or estimates made in the current or prior year.

3 Donations

During the year, the charity received a donation of £2.8m (2023: £0.5m) from Methodist Insurance PLC which was designated by the trustees.

The charity received £0.4m (2023: £0.4m) of donated services which the trustees have estimated as the value to the charity of management and administration costs incurred by subsidiary undertakings on behalf of the charity, but which are not recharged. An equal amount is included within expenditure on charitable activities.

4 Donations from subsidiary undertakings

During the year, the charity received donations totalling £33.0m (2023: £13.0m) from EIO plc.

5 Dividend and interest income

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from financial assets at fair value						
Equity securities						
- listed	-	**2,579**	**2,579**	-	3,369	3,369
Debt securities						
- listed	-	-	-	-	384	384
Income from financial assets at amortised cost						
- cash at bank and in hand and cash deposits, net of exchange movements	**184**	**7**	**191**	194	(34)	160
	184	**2,586**	**2,770**	194	3,719	3,913

6 Charitable giving - grants

2024	Grants to institutions £000	Shared costs £000	Support costs £000	Total £000
Community Impact Grants	**10,575**	**257**	**151**	**10,983**
Building Improvement Grants	**2,970**	**108**	**151**	**3,229**
Methodist Grants	**2,237**	**63**	**151**	**2,451**
Heritage Skills for Christian Buildings Grants	**122**	**3**	**151**	**276**
Crisis Response Grants	**750**	**14**	**151**	**915**
Recurrent Grants	**6,278**	**37**	**151**	**6,466**
Strategic Partnership Grants	**2,499**	**18**	**151**	**2,668**
Other Grants	**93**	**6**	**151**	**250**
Total grants awarded in the year	**25,524**	**506**	**1,208**	**27,238**
Return and withdrawal of grants awarded in prior years	**(166)**	**-**	**-**	**(166)**
Total grants net of returned and withdrawn grants	**25,358**	**506**	**1,208**	**27,072**

2023 (Re-presented*)	Grants to institutions £000	Shared costs £000	Support costs £000	Total £000
Community Impact Grants	8,505	213	137	8,855
Building Improvement Grants	2,807	89	137	3,033
Methodist Grants	2,656	45	137	2,838
Heritage Skills for Christian Buildings Grants	275	9	137	421
Crisis Response Grants	850	18	137	1,005
Recurrent Grants	7,295	45	137	7,477
General Grants	1,064	22	137	1,223
Other Grants	307	2	137	446
Total grants awarded in the year	**23,759**	**443**	**1,096**	**25,298**
Return and withdrawal of grants awarded in prior years	(312)	-	-	(312)
Total grants net of returned and withdrawn grants	**23,447**	**443**	**1,096**	**24,986**

*Prior year comparatives for grants to institutions have been re-presented to separately disclose grants returned or withdrawn in the prior year.

A list of all grants awarded to institutions is published on Benefact Trust's website (www.benefacttrust.co.uk). The charity does not make grants to individuals. The five largest grants beneficiaries in the current year are as follows:

Beneficiary	Grant programme	Grants awarded £000
Archbishops' Council, Westminster, London	Strategic Partnership Grants	1,500
The Methodist Church in Great Britain, London	Methodist Grants	750
The Cathedrals' Workshop Fellowship, York, North Yorkshire	Strategic Partnership Grants	509
	Heritage Skills for Christian Buildings Grants	122
The General Synod of the Scottish Episcopal Church Nominees	Strategic Partnership Grants	490
	Recurrent Grants	14
The Diocese of London	Recurrent Grants	275

7 Other expenditure on charitable activities

Other charitable expenditure in the current year consists of £0.5m shared costs and £1.2m support costs incurred in the charity's grant making activities and can be analysed as follows:

2024	Community Impact Grants £000	Building Improvement Grants £000	Methodist Grants £000	Heritage Skills for Christian Buildings Grants £000	Basis of allocation
Shared costs	257	108	63	3	Mixed allocation*
Support costs:					
Governance costs	31	31	31	31	Equal allocation
Finance	12	12	12	12	Equal allocation
Information technology	13	13	13	13	Equal allocation
Buildings	8	8	8	8	Equal allocation
Corporate	18	18	18	18	Equal allocation
Other	69	69	69	69	Equal allocation
	151	151	151	151	
Other expenditure on charitable activities	408	259	214	154	

2024	Crisis Response Grants £000	Recurrent Grants £000	Strategic Partnership Grants £000	Other Grants £000	Basis of allocation
Shared costs	14	37	18	6	Mixed allocation*
Support costs:					
Governance costs	31	31	31	31	Equal allocation
Finance	12	12	12	12	Equal allocation
Information technology	13	13	13	13	Equal allocation
Buildings	8	8	8	8	Equal allocation
Corporate	18	18	18	18	Equal allocation
Other	69	69	69	69	Equal allocation
	151	151	151	151	
Other expenditure on charitable activities	165	188	169	157	

*Mixed allocation includes costs that are allocated either by time spent or are equally allocated across the grant programmes.

7 Other expenditure on charitable activities (continued)

Other charitable expenditure in the prior year consists of £0.4m shared costs and £1.1m support costs incurred in the charity's grant making activities and can be analysed as follows:

2023	Community Impact Grants £000	Building Improvement Grants £000	Methodist Grants £000	Heritage Skills for Christian Buildings Grants £000	Basis of allocation
Shared costs	213	89	45	9	Mixed allocation*
Support costs:					
Governance costs	37	37	37	37	Equal allocation
Finance	4	4	4	4	Equal allocation
Information technology	9	9	9	9	Equal allocation
Buildings	11	11	11	11	Equal allocation
Corporate	10	10	10	10	Equal allocation
Other	66	66	66	66	Equal allocation
	137	137	137	137	
Other expenditure on charitable activities	350	226	182	146	

2023	Crisis Response Grants £000	Recurrent Grants £000	General Grants £000	Other Grants £000	Basis of allocation
Shared costs	18	45	22	2	Mixed allocation*
Support costs:					
Governance costs	37	37	37	37	Equal allocation
Finance	4	4	4	4	Equal allocation
Information technology	9	9	9	9	Equal allocation
Buildings	11	11	11	11	Equal allocation
Corporate	10	10	10	10	Equal allocation
Other	66	66	66	66	Equal allocation
	137	137	137	137	
Other expenditure on charitable activities	155	182	159	139	

*Mixed allocation includes costs that are allocated either by time spent or are equally allocated across the grant programmes.

8 Taxation

Benefact Trust Limited and its linked charitable trust, the EEF, is a registered charity and is exempt from corporation tax. The £0.1m (2023: £0.1m) tax charge recognised in the statement of financial activities relates to irrecoverable withholding tax on dividends received from overseas equity investments held by the EEF.

9 Employee information

The charity itself has no employees, but uses staff employed by a subsidiary company to undertake its charitable activities. The employee costs recharged by the subsidiary company to the charity are shown below.

The average monthly number of full-time equivalent employees of the subsidiary company who carried out the charity's activities during the year was fourteen (2023: eleven). All employees were employed in the United Kingdom in both the current and prior year.

	2024 £000	2023 £000
Wages and salaries	**792**	661
Social security costs	**89**	73
Pension costs - defined contribution plans	**76**	58
	957	792

In the current year, two employees received recharged employee benefits within the £60,001-£70,000 band, one employee received recharged employee benefits within the £70,001-£80,000 band, two employees received recharged employee benefits within the £80,001-£90,000 band, one employee received recharged employee benefits within the £110,001-£120,000 band and one employee received recharged employee benefits within the £140,001-£150,000 band. In the prior year, two employees received recharged employee benefits within the £70,001-£80,000 band, two employees received recharged employee benefits within the £80,001-£90,000 band, and one employee received recharged employee benefits within the £90,001-£100,000 band.

10 Trustee remuneration

The trustees did not receive any remuneration from the charity during the current or prior year. Four trustees (2023: three trustees), who during the year were also directors of subsidiary undertakings, received remuneration from those subsidiaries in respect of their services as directors of those subsidiaries. Details of the remuneration they received are disclosed in note 27 to the consolidated financial statements.

During the year the charity reimbursed expenses totalling £2,000 (2023: £5,000) which were incurred by four trustees primarily in respect of travel (2023: six trustees primarily in respect of travel).

In addition, the charity paid direct expenses totalling £12,000 (2023: £4,000) which were incurred by eight trustees primarily in respect of travel and subsistence (2023: five trustees, primarily in respect of travel, subsistence and training).

None of the trustees was a member of the trading subsidiaries' defined benefit pension schemes during the current or prior year.

11 Key management remuneration

Key management remuneration of the charity, including employee benefits, pensions and social security costs, in the year was £0.4m (2023: £0.3m). Key management remuneration includes amounts recharged to the charity and services donated to the charity. Details of the key management of the charity can be found in the Trustees' Report.

12 Investments

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Financial assets at fair value						
Equity securities						
- listed	-	**118,555**	**118,555**	-	112,463	112,463
Debt securities						
- listed	-	-	-	-	1,577	1,577
Total investments at fair value	-	**118,555**	**118,555**	-	114,040	114,040
Financial assets at historic cost						
Investment in subsidiary	**50**	-	**50**	50	-	50
Total investments at historic cost	**50**	-	**50**	50	-	50
Total investments	**50**	**118,555**	**118,605**	50	114,040	114,090

The value of the investment in subsidiary on a historical cost basis is £50,000 (2023: £50,000). At the year end the subsidiary had consolidated net assets of £544.0m (2023: £532.0m).

No investments in the EEF were classified as level 3 in the current or prior year. Level 3 investments are those whose fair value is measured using inputs that are not based on observable market data.

Details of the charity's investment policy can be found in the Strategic Report.

Reconciliation of the movement in financial assets:

	Unrestricted funds	**Endowment funds**	**Total funds**
2024	**At historic cost**	**At fair value**	
	£000	**£000**	**£000**
At 1 January	**50**	**114,040**	**114,090**
Additions at cost	-	**16,704**	**16,704**
Sale proceeds	-	**(22,190)**	**(22,190)**
Net fair value gains	-	**10,001**	**10,001**
At 31 December	**50**	**118,555**	**118,605**
	Unrestricted funds	Endowment funds	Total funds
2023	At historic cost	At fair value	
	£000	£000	£000
At 1 January	50	109,615	109,665
Additions at cost	-	76,396	76,396
Sale proceeds	-	(79,229)	(79,229)
Net fair value gains	-	7,258	7,258
At 31 December	50	114,040	114,090

13 Debtors

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Prepayments and accrued income	**20**	**109**	**129**	2	160	162
Other debtors	-	-	-	3	-	3
	20	**109**	**129**	5	160	165

No expected credit loss has been recognised in the current or prior year.

14 Cash at bank and in hand

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Short term deposits	**19,509**	**617**	**20,126**	12,932	2,934	15,866
Cash at bank and in hand	**13,882**	-	**13,882**	42	-	42
	33,391	**617**	**34,008**	12,974	2,934	15,908

15 Creditors

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Amounts falling due within one year:						
Accruals for grants payable	**5,602**	-	**5,602**	4,767	-	4,767
Amounts owed to related undertakings	**6**	**66**	**72**	2	-	2
Other creditors	**239**	**3**	**242**	156	37	193
	5,847	**69**	**5,916**	4,925	37	4,962
Amounts falling due after one year:						
Accruals for grants payable	**1,675**	-	**1,675**	1,407	-	1,407
	1,675	-	**1,675**	1,407	-	1,407

16 Summary of fund movements

	Unrestricted funds			
	General funds	Designated funds	Endowment funds	Total
	£000	£000	£000	£000
Fund balance at 1 January 2024	**4,519**	**2,178**	**117,097**	**123,794**
Income	**33,584**	**2,826**	**2,586**	**38,996**
Expenditure	**(24,906)**	**(2,166)**	**(427)**	**(27,499)**
Taxation	-	-	**(141)**	**(141)**
Fair value gains on investments	-	-	**10,001**	**10,001**
Gross transfers to unrestricted funds	**8,632**	**1,272**	**(9,904)**	-
Fund balance at 31 December 2024	**21,829**	**4,110**	**119,212**	**145,151**
Fund balance at 1 January 2023	11,681	1,982	110,556	124,219
Income	13,521	543	3,719	17,783
Expenditure	(22,410)	(2,576)	(347)	(25,333)
Taxation	-	-	(133)	(133)
Fair value gains on investments	-	-	7,258	7,258
Gross transfers to unrestricted funds	3,727	229	(3,956)	-
Gross transfers to designated funds	(2,000)	2,000	-	-
Fund balance at 31 December 2023	4,519	2,178	117,097	123,794

The general unrestricted fund consists of funds available to the trustees to apply for the general purposes of the charity, in addition to each of the priorities it has adopted as set out in the Strategic Report.

The designated fund has been designated by the trustees for the furtherance of purposes or projects of or relating to the Methodist Church. The source of these funds is the donations that the charity receives from Methodist Insurance PLC (see note 3). During the current year, the trustees designated £4.1m (2023: £2.8m).

The endowment fund is a restricted capital fund of expendable endowment, the charitable purpose of which is to exclusively advance the charitable purposes of the Trust for the public benefit. During the year £9.9m (2023: £4.0m) was donated from the EEF to the unrestricted fund to support its charitable giving activities.

17 Related party transactions

Transactions between the charity and its subsidiaries, which are related parties, are shown below. A full list of related undertakings is disclosed in note 48. Transactions between the charity and its trustees, who are related parties, are disclosed in note 10.

	2024	2023
	£000	£000
Donations received	**33,000**	13,000
Expenses recharged	**(968)**	(820)
Investment management fees paid	**(263)**	(177)
Amounts due to related parties	**(72)**	(2)

In addition, the charity received donated services from a trading subsidiary in the current and prior year. Further details are provided in note 3.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2024

	Notes	2024			2023		
		Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from:							
Donations		**2,800**	-	**2,800**	500	-	500
Other trading activities							
Income arising from trading activities	20	**797,820**	-	**797,820**	705,425	-	705,425
Investments							
Dividend, interest and rental income	21	**48,533**	**2,586**	**51,119**	43,224	3,719	46,943
Total income		**849,153**	**2,586**	**851,739**	749,149	3,719	752,868
Expenditure on:							
Raising funds		-	**(427)**	**(427)**	-	(347)	(347)
Charitable activities							
Grants		**(25,358)**	-	**(25,358)**	(23,447)	-	(23,447)
Other expenditure on charitable activities		**(1,287)**	-	**(1,287)**	(1,169)	-	(1,169)
Other							
Charitable donations paid by trading subsidiaries		**(3,702)**	-	**(3,702)**	(3,137)	-	(3,137)
Expenditure arising from trading activities	20	**(798,604)**	-	**(798,604)**	(720,860)	-	(720,860)
Total expenditure		**(828,951)**	**(427)**	**(829,378)**	(748,613)	(347)	(748,960)
Net gains on investments	22	**21,557**	**10,001**	**31,558**	9,007	7,258	16,265
Profit on disposal of business	33	**5,187**	-	**5,187**	-	-	-
Loss on disposal of associate	34	-	-	-	(1,130)	-	(1,130)
Taxation	23	**(10,314)**	**(141)**	**(10,455)**	(5,106)	(133)	(5,239)
		36,632	**12,019**	**48,651**	3,307	10,497	13,804
Net income/(expenditure) in the year							
a. arising from the charity		**(23,662)**	**12,019**	**(11,643)**	(23,922)	10,497	(13,425)
b. arising from trading activities							
attributable to the parent		**49,804**	-	**49,804**	18,447	-	18,447
attributable to non-controlling interests		**10,490**	-	**10,490**	8,782	-	8,782
	24	**36,632**	**12,019**	**48,651**	3,307	10,497	13,804

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)

for the year ended 31 December 2024

	Notes	2024 Unrestricted funds £000	2024 Endowment funds £000	2024 Total funds £000	2023 Unrestricted funds £000	2023 Endowment funds £000	2023 Total funds £000
Transfer between funds							
Gross transfers to unrestricted funds	42	**9,904**	**(9,904)**	**-**	3,956	(3,956)	-
Other recognised (losses)/gains							
Gains on revaluation of fixed assets		**-**	**-**	**-**	850	-	850
Actuarial (losses)/gains on retirement benefits	41	**(2,169)**	**-**	**(2,169)**	4,535	-	4,535
Other losses							
Currency translation differences	43	**(9,325)**	**-**	**(9,325)**	(4,033)	-	(4,033)
Gains on net investment hedges	43	**8,809**	**-**	**8,809**	4,859	-	4,859
Tax attributable to other recognised gains/(losses)	23	**(838)**	**-**	**(838)**	(2,038)	-	(2,038)
Non-controlling interests	45	**(10,490)**	**-**	**(10,490)**	(8,782)	-	(8,782)
Net movement in funds excluding non-controlling interests		**32,523**	**2,115**	**34,638**	2,654	6,541	9,195
Reconciliation of funds:							
Total funds brought forward	42	**538,377**	**117,097**	**655,474**	535,245	110,556	645,801
Transition adjustment on adoption of IFRS 9		**-**	**-**	**-**	478	-	478
Transition adjustment on adoption of Periodic Review 2024 amendments to FRS 102	18	**(1,755)**	**-**	**(1,755)**	-	-	-
Total funds carried forward		**569,145**	**119,212**	**688,357**	538,377	117,097	655,474

The accompanying notes on pages 78 to 150 are an integral part of these consolidated financial statements.

Included within the prior year are the operations of Lloyd and Whyte Group Limited (L&W) for the six months from 30 June 2023. Further information on the acquisition can be found in note 35.

CONSOLIDATED BALANCE SHEET

at 31 December 2024

	Notes	2024 Total funds £000	*Restated** 2023 Total funds £000
Fixed assets			
Intangible assets	28	**138,267**	127,525
Tangible assets	29	**45,496**	16,633
Investment property	30	**128,563**	130,813
Investments	31	**1,563,250**	1,526,932
Investment in associate	34	**209**	408
Total fixed assets		**1,875,785**	1,802,311
Current assets			
Debtors	36	**309,350**	293,117
Cash at bank and in hand	37	**170,732**	164,222
Total current assets		**480,082**	457,339
Liabilities			
Creditors: amounts falling due within one year	38	**(130,460)**	(98,280)
Net current assets		**349,622**	359,059
Total assets less current liabilities		**2,225,407**	2,161,370
Creditors: amounts falling due after one year	38	**(2,165)**	(2,479)
Provisions for liabilities	39	**(1,409,915)**	(1,377,072)
Subordinated liabilities	40	**(25,112)**	(25,853)
Net assets excluding retirement benefit obligations		**788,215**	755,966
Net pension asset	41	**17,552**	19,788
Other retirement benefit obligations	41	**(4,332)**	(4,801)
Total net assets including retirement benefit obligations		**801,435**	770,953
The funds of the charity:			
Unrestricted funds			
General funds	42	**21,829**	4,519
Designated funds	42	**4,110**	2,178
Revaluation reserve	42	**-**	856
Non-charitable trading reserves	42	**525,453**	511,174
Translation and hedging reserve	43	**17,753**	19,650
		569,145	538,377
Restricted funds			
Endowment funds	42	**119,212**	117,097
Total funds (excluding non-controlling interests)		**688,357**	655,474
Non-controlling interests	45	**113,078**	115,479
Total funds		**801,435**	770,953

*The comparative financial statements have been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance on its balance sheet. This restatement includes £0.5m decrease to debtors, £18.5m decrease to cash at bank and in hand and £19.5m decrease to creditors, in relation to certain broker businesses which were incorrectly included within the balance sheet in the prior period. There is no impact on net assets from this restatement.

The accompanying notes on pages 78 to 150 are an integral part of these consolidated financial statements.

The consolidated financial statements of Benefact Trust Limited registration number 1043742, on pages 73 to 150 were approved and authorised for issue by the Board on 1 May 2025 and signed on its behalf by:

Tim Carroll	Revd Paul Davis
Chairman	*Trustee*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	2024	*Restated** 2023
	£000	£000
Cash flows from operating activities:		
Net income for the reporting period	**48,651**	13,804
Adjustments for:		
Depreciation of property, plant and equipment	**8,560**	3,466
Revaluation of property, plant and equipment	**-**	(35)
Profit on disposal of property, plant and equipment	**(68)**	-
Amortisation and impairment of intangible assets	**17,225**	11,934
Movement in expected credit loss provision	**(37)**	183
Loss on disposal of intangible assets	**-**	165
Share of loss/(profit) of associate	**200**	(365)
Tax expense	**10,455**	5,239
Loss before tax on disposal of interest in associate	**-**	1,130
Profit before tax on disposal of business	**(5,187)**	-
Net gains on financial investments and investment property	**(31,558)**	(16,230)
Dividend and interest income from investments	**(35,966)**	(37,031)
Finance costs	**3,948**	2,311
(Increase)/decrease in debtors	**(24,900)**	21,748
Increase/(decrease) in creditors	**5,577**	(2,345)
Increase in provisions	**32,992**	10,340
Adjustment for pension funding	**(428)**	(35)
Increase/(decrease) in retirement benefit obligation	**26**	(39)
Proceeds from the sale of investment property by trading subsidiaries	**5,080**	3,382
Proceeds from the sale of financial investments by trading subsidiaries	**162,075**	183,876
Purchase of financial investments by trading subsidiaries	**(172,177)**	(212,218)
Dividends received by trading subsidiaries	**13,110**	13,068
Interest received by trading subsidiaries	**18,864**	20,944
Tax paid by trading subsidiaries	**(10,308)**	(4,780)
Cumulative translation differences recycled to statement of financial activities	**505**	1,027
Net cash provided by operating activities	**46,639**	19,539

*The comparative financial statements have been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance on its balance sheet. This restatement includes £0.5m decrease to debtors, £18.5m decrease to cash at bank and in hand and £19.5m decrease to creditors, in relation to certain broker businesses which were incorrectly included within the balance sheet in the prior period. There is no impact on net assets from this restatement.

The comparative financial statements have also been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance from the acquisition cash flows on acquisition of the Lloyd & Whyte Group Limited (L&W) in the prior year. This restatement includes £14.8m decrease to the cash flows from the acquisition of interest in subsidiary, net of cash acquired, and £14.8m increase to net increase/(decrease) in creditors.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2024

	Notes	2024	*Restated** 2023
		£000	£000
Cash flows from investing activities:			
Purchases of property, plant and equipment		**(4,468)**	(3,853)
Proceeds from the sale of property, plant and equipment		**1,963**	44
Purchases of intangible assets		**(8,651)**	(2,734)
Purchase of investments by parent charity		**(16,704)**	(76,396)
Proceeds from the sale of investments by parent charity		**22,190**	79,229
Acquisition of business, net of cash acquired		**(1,536)**	(1,115)
Acquisition of interest in subsidiary, net of cash acquired		**(17,002)**	5,636
Disposal of business, net of cash transferred		**5,187**	-
Dividend and interest income from parent charity investments		**2,690**	4,000
Net cash (used in)/provided by investing activities		**(16,331)**	4,811
Cash flows from financing activities:			
Interest paid by trading subsidiaries		**(3,315)**	(1,652)
Payment of lease liabilities		**(3,019)**	(210)
Payment of group tax in excess of standard rate		**(3,837)**	(60)
Proceeds from other borrowings		**(48)**	-
Dividends paid to non-controlling interests of subsidiaries		**(10,074)**	(8,782)
Net cash used in financing activities		**(20,293)**	(10,704)
Change in cash and cash equivalents in the reporting period		**10,015**	13,646
Cash and cash equivalents at the beginning of the reporting period		**164,222**	152,716
Change in cash and cash equivalents in the reporting period		**10,015**	13,646
Change in cash and cash equivalents due to exchange rate movements		**(3,505)**	(2,140)
Cash and cash equivalents at the end of the reporting period	37	**170,732**	164,222

*The comparative financial statements have been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance on its balance sheet. This restatement includes £0.5m decrease to debtors, £18.5m decrease to cash at bank and in hand and £19.5m decrease to creditors, in relation to certain broker businesses which were incorrectly included within the balance sheet in the prior period. There is no impact on net assets from this restatement.

The comparative financial statements have also been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance from the acquisition cash flows on acquisition of the Lloyd & Whyte Group Limited (L&W) in the prior year. This restatement includes £14.8m decrease to the cash flows from the acquisition of interest in subsidiary, net of cash acquired, and £14.8m increase to net increase/(decrease) in creditors.

The accompanying notes on pages 78 to 150 are an integral part of these consolidated financial statements.

An analysis of change in net debt can be found in note 44.

18 Accounting policies for consolidated financial statements

The material accounting policies adopted in preparing the consolidated financial statements are set out below. Where an accounting policy specifically relates to the charity, it is not repeated here, and reference should be made to note 1 to the charity's financial statements.

Basis of preparation

The consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) *The Financial Reporting Standard applicable in the UK and Republic of Ireland,* issued March 2024; the Companies Act 2006 (the Act); and 'Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The historical cost convention has been applied, modified to include certain items at fair value as permitted by section 404 of the Act. The format of the financial statements has been adapted to comply with the SORP as permitted by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The principal activities of the trading subsidiaries of the charity remain the transaction of insurance and the provision of financial services. All funds within the trading subsidiaries support their trade. Note 50 includes certain disclosures relevant for groups containing insurance companies in accordance with Financial Reporting Standard 103 (FRS 103), Insurance Contracts.

The parent charity meets the definition of a public benefit entity under FRS 102.

As stated in the Trustees' Report, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Items included in the financial statements of each of Benefact Trust's subsidiaries are measured in the currency of the primary economic environment in which that entity operates (the 'functional currency'). The consolidated financial statements are stated in sterling, which is the charity's functional and presentational currency.

Except for the changes explained below, the accounting policies detailed within this note have been applied consistently to all periods presented in these consolidated financial statements.

Changes in accounting policy

In March 2024, the Financial Reporting Council (FRC) introduced significant amendments to FRS 102 to improve the quality of financial reporting. These changes aim to better align FRS 102 with International Financial Reporting Standards (IFRS) in key areas, ensuring the provision of reliable and useful information. The amendments are designed to enhance comparability, minimise differences with IFRS, and ensure that entities account for transactions accurately and consistently.

These amendments are effective for accounting periods beginning on or after 1 January 2026. Early adoption is permitted, provided that all amendments are applied at the same time.

The Benefact Trust group of companies has elected to early adopt the amendments from 1 January 2024.

On 1 January 2024, a reduction of £1.8m in non-charitable trading reserves was recognised. This reduction included a £1.9m decrease related to leases and a £0.5m decrease due to the recognition of deferred income, offset with a £0.6m increase as a result of the impact of deferred tax. The material changes to the consolidated financial statements are as follows:

Revenue recognition

Section 23, Revenue from Contracts with Customers, has implemented a five-step model for revenue recognition. Under this model, revenue is allocated to the performance obligations within the contract and recognised as these obligations are fulfilled.

On transition, £0.5m of deferred income has been recognised within creditors in the consolidated balance sheet to reflect revenue that has been received ahead of the relevant performance obligation(s) being satisfied.

As permitted by FRS 102, the Benefact Trust group of companies has elected not to restate prior year comparatives, and instead the impact on transition has been recognised as a £0.5m reduction to non-charitable trading reserves at 1 January 2024. The resulting deferred tax impact led to an offsetting increase in non-charitable trading reserves of £0.1m. The amended revenue recognition model has only been applied to contracts that were not completed at 1 January 2024.

Leases

The amendments to Section 20 *Leases* removes the distinction between operating and finance leases for lessees. Consequently, leases are now recognised on the balance sheet as a right-of-use (RoU) asset with a corresponding lease liability.

Changes in accounting policy (continued)

Leases (continued)

Impact on the consolidated balance sheet:

When an entity has already determined the carrying amounts of lease liabilities and RoU assets under IFRS 16 *Leases* for inclusion in consolidated financial statements prepared in accordance with IFRS, FRS 102 permits the use of these values as a practical expedient on transition. As such, the Benefact Trust group of companies has elected to recognise the carrying amounts of the lease liabilities and RoU assets as calculated and recognised by its trading subsidiaries under IFRS 16 as at the date of transition.

On transition, leases previously classified as 'operating leases' were bought onto the balance sheet as follows:

- A lease liability measured at the net present value of:
  - fixed payments less any lease incentives receivable;
  - variable lease payments that are based on an index or rate;
  - amounts expected to be payable by the lessee under residual value guarantees;
  - the exercise price of an option if the lessee is reasonably certain to exercise that option; and
  - payments and penalties from terminating the lease, if the lease term reflects the lessee exercising that option.
- RoU assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and comprises:
  - the amount of the initial measurement of lease liability;
  - any lease payment made at or before the commencement date, less any lease incentives received;
  - any initial direct costs; and
  - restoration costs.

In line with the requirements of FRS 102, prior year comparatives have not been restated. Instead, the cumulative impact on transition has been recognised as a £1.9m decrease in non-charitable trading reserves at 1 January 2024. The impact on individual lines in the balance sheet arising from changes in accounting for leases are as follows:

	At 31 December 2023 £000	Adjustment £000	At 1 January 2024 £000
Tangible assets	16,633	27,886	44,519
Debtors	293,608	(852)	292,756
Creditors	(119,777)	(27,052)	(146,829)
Provisions for liabilities	(1,377,072)	(1,833)	(1,378,905)
Non-charitable trading reserves	511,174	(1,851)	509,323

For leases previously classified as finance leases under FRS 102, the Benefact Trust group of companies recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying value of the RoU asset and lease liability at the date of initial application.

Impact on the Statement of Financial Activities:

In the prior year, operating lease rentals were recognised within expenditure arising from trading activities in the statement of financial activities (SoFA). In the current year, depreciation of the RoU assets and interest on lease liabilities is recognised within expenditure arising from trading activities in the SoFA.

In the prior year, net income was determined after charging £4.2m related to leases previously categorised as operating leases, and after charging depreciation of £69,000 and interest of £43,000 on leases previously categorised as finance leases. In the current year, net income has been calculated after charging £4.7m of depreciation on right-of-use assets and £1.6m of interest on lease liabilities.

As permitted by the standard, the Benefact Trust group of companies has elected not to reassess whether a contract is, or contains, a lease at the date of initial application and will apply the amendments to all contracts treated as a lease immediately prior to adoption.

As comparative information has not been restated to reflect the adoption of the new accounting policies, prior year comparatives continue to be reported under FRS 102 as issued in January 2022. Accounting policies applied in the prior but not current year are identified within this note.

Other amendments made to FRS 102 had no material impact on the consolidated financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are those entities over which the charity, directly or indirectly, has control, with control being achieved when the charity has power over the investee, is exposed to variable return from its involvement with the investee and has the ability to use its power to affect its returns. The results and cash flows relating to subsidiaries acquired or disposed of in the year are included in the consolidated statement of financial activities, and the consolidated statement of cash flows, up to the date of disposal. All inter-company transactions, balances and cash flows are eliminated.

The Benefact Trust group of companies uses the purchase method of accounting to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Non-controlling interests are measured at a proportionate share of the identifiable net assets of the acquiree. Goodwill is measured as the excess of the aggregate consideration transferred, the fair value of contingent consideration, the minority interests and, for an acquisition achieved in stages, the fair value of previously held equity interest over the fair value of the identifiable net assets acquired.

Associates

Associates are those entities over which the Benefact Trust group of companies has significant influence and are neither subsidiaries nor interests in joint ventures. The assets, liabilities and results of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Benefact Trust group of companies' share of the net income/(expenditure) and other recognised gains/(losses) of the associate. When the Benefact Trust group of companies' share of losses of an associate exceeds its interest in that associate, the Benefact Trust group of companies discontinues recognising its share of further losses. Additional losses are recognised by a provision only to the extent that the Benefact Trust group of companies has incurred legal or constructive obligations or made payments on behalf of the associate.

Foreign currency translation

The assets and liabilities of foreign operations are translated from their functional currencies into the Benefact Trust group of companies' presentational currency using year end exchange rates, and their income and expenses using average exchange rates for the year. Exchange differences arising from the translation of the net investment in foreign operations are taken to the translation reserve. On disposal of a foreign operation, such exchange differences are transferred out of this reserve, along with the corresponding movement on net investment hedges, and are recognised in the statement of financial activities as part of the gain or loss on sale.

Income and expenditure arising from trading subsidiaries

Income and expenditure from insurance contracts

(i) Product classification

Contracts under which the trading subsidiaries accept significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder are classified as insurance contracts. Contracts that do not transfer significant insurance risk are classified as investment or service contracts. All of the trading subsidiaries life business contracts written up to April 2013 are classified as insurance contracts. The book closed to new business in 2013 and reopened for business in 2021. Life business contracts written from August 2021 are classified as investment contracts.

Insurance contracts issued and reinsurance contracts held may be initiated by the trading subsidiaries, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' held include contracts issued, initiated, or acquired by the trading subsidiaries, unless otherwise stated.

(ii) Separating components

The trading subsidiaries assess their insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under FRS 102. After separating any distinct components, the trading subsidiaries apply IFRS 17 *Insurance contracts* which has been adopted within the requirements of FRS 103 *Insurance contracts* to all remaining components of the host insurance contract. The trading subsidiaries' insurance and reinsurance contracts do not include any components that require separation.

Income and expenditure from insurance contracts (continued)

(iii) Level of aggregation

Insurance and reinsurance contracts are aggregated into portfolios and split into annual cohorts and profitability groups for measurement and presentational purposes. The portfolios are comprised of contracts with similar risks which are managed together. Judgement is applied when determining portfolios and includes drivers such as geography, lines of business (where these are separate components) and legal entities within the Benefact Trust group of companies.

The trading subsidiaries' life insurance business comprises whole of life insurance contracts with similar risks which are managed together. These are aggregated into a single portfolio of insurance contracts.

Each annual cohort of business or portfolio recognised is further divided into groups based on the expected profitability, determined at initial recognition:

- Onerous contracts;
- Contracts that have no significant possibility of becoming onerous (based on the probability that changes to assumptions result in contracts becoming onerous); and
- Any remaining contracts.

Contracts are considered onerous if the fulfilment cashflows allocated to that group of contracts in total are a net outflow.

As the fair value approach has been applied on transition to the trading subsidiaries' life insurance business, the trading subsidiaries are not required to recognise separate annual cohorts for contracts issued more than one year apart.

(iv) Recognition and derecognition

An insurance contract issued by the trading subsidiaries is recognised from the earliest of:

- The date the trading subsidiary is exposed to risk;
- The date the first premium payment from the policyholder becomes due or, if there is no contractual due date, when received from the policyholder; or
- The date when facts and circumstances indicate the contract is onerous.

When a contract is recognised, it is added to an existing group of contracts. However, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future similar contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Insurance contracts are derecognised when:

- The rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the initial contract is derecognised and a new contract is recognised based on the modified terms.

When a modification is not treated as a derecognition, the trading subsidiaries recognise amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage (LRC).

(v) Contract boundaries

The concept of contract boundary is used to determine what cash flows should be considered in the measurement of groups of insurance contracts. The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group.

(vi) Risk adjustment

The risk adjustment reflects the compensation required by the trading subsidiaries for bearing uncertainty about the cash flows that arise from non-financial risks. A combination of techniques are used to measure the risk adjustment, aligning to latest risk appetite approach. The risk adjustment, in relation to life insurance, is calculated at entity level.

Given that the trading subsidiaries' non-life and life insurance businesses are managed separately, subject to different risk profiles, and the compensation required for bearing the associated non-financial risks is measured using different risk time horizons, the overall confidence levels disclosed for the risk adjustment for these components may differ from each other.

(vii) Insurance revenue

General Measurement Model

As the trading subsidiaries provide services under the group of insurance contracts, the LRC is reduced and insurance revenue is recognised. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the trading subsidiaries expect to be entitled to in exchange for those services. Insurance revenue comprises the following:

- Amounts relating to the changes in the LRC:
  - Insurance claims and expenses incurred in the period measured at amounts expected at the beginning of the period, excluding:
    - Amounts related to the loss component;
    - Repayments of investment components;
    - Amounts of transaction-based taxes collected in a fiduciary capacity; and
    - Insurance acquisition expenses.
  - Changes in the risk adjustment for non-financial risk, excluding:
    - Changes included in insurance finance income or expenses;
    - Changes that relate to future coverage (which adjust the Contractual Service Margin (CSM));
    - Amounts allocated to the loss component; and
    - Amounts of the CSM recognised in profit or loss for the services provided in the period.
  - Experience adjustments arising from premiums received in the period that relate to past and current service and related cash flows such as insurance acquisition cash flows and premium-based taxes.

Premium Allocation Approach

In addition to the above, under the premium allocation approach, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and after adjustment to reflect the time value of money and the effect of financial risk, if applicable) allocated to the period for services provided. The trading subsidiaries allocate the expected premium receipts to each period of insurance contract services, on the basis of the passage of time or, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, on the basis of the expected timing of incurred insurance service expenses. Changes to the basis of allocation are accounted for prospectively as a change in accounting estimate.

(viii) Insurance service expenses

Insurance service expenses incurred by the trading subsidiaries include fulfilment cash flows and acquisition cash flows which are costs directly attributable to insurance contracts and comprise both direct costs and the allocation of fixed and variable overheads. Insurance service expenses are recognised within expenditure arising from trading activities in the consolidated statement of financial activities and are comprised of the following:

- Incurred claims and benefits excluding investment components;
- Other incurred discretionary attributable insurance service expenses;
- Amortisation of insurance acquisition cash flows;
- Changes that relate to past service (i.e. changes in the future cash flows relating to the liability for incurred claims (LIC); and
- Changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

Amortisation of insurance acquisition cash flows is done on a straight line basis and is reflected in insurance service expenses, included within expenditure arising from trading activities, in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, included within income arising from trading activities, as described above. Other expenses not meeting the above categories are included in expenditure arising from trading activities in the consolidated statement of financial activities.

General insurance

(ix) Measurement model – Premium Allocation Approach (PAA)

The trading subsidiaries apply the PAA model when measuring the LRC of groups of insurance and reinsurance contracts when the following criteria are met at inception:

Insurance contracts:

- The coverage period of each contract in the group is one year or less; or
- Where the coverage period of a group of contracts is longer than one year, it is reasonably expected that the measurement of the LRC for the group containing those contracts under PAA does not differ materially from the measurement that would be recognised by applying the General Measurement Model (GMM).

Reinsurance contracts held:

- The coverage period of each contract in the group is one year or less; or
- The trading subsidiaries reasonably expect that the resulting measurement of the asset for remaining coverage under the PAA would not differ materially from the result of applying the GMM.

The vast majority of the trading subsidiaries' general insurance business has a duration of one year or less and the PAA model is eligible automatically. Where the PAA model is not automatically eligible, financial modelling is performed comparing the financial effects under the two models. Where the financial effects are not expected to be materially different under the GMM and PAA, the relevant unit of account is treated as PAA eligible.

Initial recognition

On initial recognition of each group of contracts, the carrying amount of the LRC is measured as the premiums received less any insurance acquisition cash flows allocated to the group at that date. For reinsurance contracts held, the measurement of the reinsurance contract held includes all expected cash flows within the boundary of the reinsurance contract, including those cash flows related to recoveries from future underlying insurance contracts that have not yet been issued by the trading subsidiaries, but are expected to be issued during the coverage period of the reinsurance contract held.

Subsequent recognition

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- Increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses; and
- Decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition.

For reinsurance contracts held, at each of the subsequent reporting dates, the trading subsidiaries apply the same accounting policies to measure a group of reinsurance contracts held, adapted where necessary to reflect features that differ from those of insurance contracts.

To identify onerous contracts, the PAA facts and circumstances test uses the latest signed-off Corporate Strategic Plan of the Benefact Group, identifying sets of contracts with a gross combined operating ratio (COR) > 100% (including risk adjustment), when aligned to the relevant period being tested. Where the trading subsidiaries recognise a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the trading subsidiaries establish a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held representing the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the trading subsidiaries expect to recover from the group of reinsurance contracts held.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the trading subsidiaries recognise a loss within expenditure arising from trading activities in the consolidated statement of financial activities and increase the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the LRC. Measurement of the loss component arising from the identification of onerous contracts is based on the future expected profitability calculation attributed to the annual cohort(s) which are indicated to be loss making.

(ix) Measurement model – Premium Allocation Approach (PAA) (continued)

Subsequent recognition (continued)

The trading subsidiaries recognise the LIC of a group of insurance contracts at the discounted amount of the future cash flows relating to claims incurred but not yet settled and attributable expenses.

Discount rates are applied to reflect the time value of money and characteristics of the liability cash flows and contracts (including liquidity).

The change in the LIC due to the effects of the time value of money and financial risk is recognised within the consolidated statement of financial activities within expenditure arising from trading activities when it is a loss and within income arising from trading subsidiaries when it is a gain.

The loss arising from onerous contracts is recognised as part of the expenditure arising from trading activities in the consolidated statement of financial activities. If there are no changes in expectations in subsequent periods, the release of the loss component is recognised within expenditure arising from trading activities in the consolidated statement of financial activities in line with the pattern of earned premium.

Insurance acquisition cash flows

Insurance acquisition cash flows are costs considered directly attributable to selling, underwriting or starting a portfolio of insurance contracts and are presented within the LRC recognised within provisions for liabilities in the consolidated balance sheet. Insurance acquisition cash flows include direct costs and indirect costs. The PAA provides an option to expense insurance acquisition cash flows as incurred, however the Benefact Trust group of companies has chosen not to apply this option. Insurance acquisition cash flows are amortised over the coverage period of the group of insurance contracts to which they relate.

Under IFRS 17, insurance acquisition cash flows for insurance contracts, insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts are included in the measurement of insurance contracts issued.

Net income/expenses from reinsurance contracts

Net income earned or expenses incurred by the trading subsidiaries from reinsurance contracts represents the insurance service result for groups of reinsurance contracts held and comprises of the allocation of reinsurance premiums and other incurred directly attributable claims and expenses.

Reinsurance premiums and expenses are recognised using the principles used to determine insurance revenue and expenses. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the trading subsidiaries expect to pay in exchange for those services.

The estimates of the present value of future cash flows of the reinsurance contracts held will reflect the risk of non-performance by the reinsurer and the risk adjustment for reinsurance contracts held and is measured and recognised separately from insurance contracts issued.

In addition, the allocation of reinsurance premiums includes changes in the reinsurance assets arising from retroactive reinsurance contracts held and voluntary reinstatement ceded premiums.

Reinsurance expenses reflect the allocation of reinsurance premiums paid or payable for receiving services in the period.

Reinsurance cash flows that are contingent on claims on the underlying contracts are treated as part of the claims that are expected to be recovered under the reinsurance contract held.

Life insurance

(x) Measurement Model – General Measurement Model (GMM)

The GMM is the default method used to measure insurance contracts under IFRS 17.

Initial recognition

On initial recognition, the carrying amount of the LRC is measured as the sum of discounted probability-weighted fulfilment cash flows within the contract boundary, an explicit risk adjustment and a CSM, representing the unearned profit of the contract to be recognised as revenue over the coverage period.

Life insurance (continued)

Initial recognition (continued)

If the portfolio of contracts is expected to be onerous at inception, the loss is recognised immediately within expenditure arising from trading activities in the consolidated statement of financial activities and the CSM is set to zero.

Subsequent measurement

The carrying amount of the LRC is updated at each reporting date to reflect the re-measurement of the fulfilment cash flows to reflect estimates based on current assumptions. The changes in fulfilment cash flows are reflected either in the insurance service result or by adjusting the CSM, depending upon their nature. If the fulfilment cash flows exceed the CSM, the portfolio of contracts becomes onerous, and the loss is recognised immediately within expenditure arising from trading activities in the consolidated statement of financial activities.

The LIC of a group of insurance contracts is recognised at the discounted amount of the fulfilment cash flows relating to claims incurred but not yet settled and attributable expenses.

Insurance acquisition cash flows

For life insurance contracts held by the trading subsidiaries, acquisition costs comprise direct costs such as initial commission and the indirect costs of obtaining and processing new business. As with general insurance business, those attributable are included in the measurement of insurance contracts issued and reinsurance contracts held.

Non-insurance revenue and expenses

Fee and commission income

From 1 January 2024, the Benefact Trust group of companies has early adopted the amendments to FRS 102 issued in March 2024. The accounting policies for fees and commissions applied in the current year are as follows:

Income generated from the trading subsidiaries' insurance broking activities is recognised at the point at which the performance obligation is satisfied, being the inception date of the insurance cover, or, where this income is variable, the point at which it is reasonably certain that no significant reversal of the amount recognised would occur. An estimate is made for the amount of fees and commission that may be clawed back as a result of policy cancellations or amendments in relation to performance obligations satisfied in the year. This is deducted from fee and commission income and recognised in provisions. Where commission or fees are received in advance of the inception date of cover, deferred income is recognised. Receivables are recognised in other debtors on inception date of cover in respect of fees or commissions that the trading subsidiaries have an unconditional right to receive.

Initial adviser and initial management fees from the trading subsidiaries' advisory activities are recognised at a point in time. Administration fees are recognised over time as services are provided. On-going service fees and management charge rebates, which are variable based on the value of funds invested or value of assets under administration, are recognised over time as services are provided and once it is reasonably certain that no significant reversal of the amount recognised would occur.

Fees charged for investment management services are variable based on funds under management and are recognised over time as the services are provided, once it is reasonably certain that no significant reversal of the amount recognised would occur. Fees charged for investment management services for institutional and retail fund management are also recognised on this basis. Management fees charged in respect of funeral plans are only refundable where the plan is cancelled within 30 days, and are recognised in full when the plan is sold with provision being made for the expected level of cancellations that give rise to a refund.

The accounting policies for fee and commission income applied in the prior year are as follows:

Income generated from the trading subsidiaries' insurance broking activities is recognised at the inception date of the insurance cover. An estimate is made for the amount of fees and commission that may be clawed back as a result of policy cancellations or amendments. Where commission or fees are received in advance of the inception date of cover, deferred income is recognised. Receivables are recognised in trade debtors on inception date of cover in respect of fees or commissions that the trading subsidiaries have an unconditional right to receive.

Fees charged for investment management services are recognised as revenue when the services are provided. Management fees charged in respect of funeral plans are only refundable where the plan is cancelled within 30 days, and are recognised in full when the plan is sold with provision being made for the expected level of cancellations that give rise to a refund.

Income from investments

Investment income consists of dividends, interest and rents receivable for the year. Dividends on equity securities are recognised on the ex-dividend date. Interest and rental income is recognised as it accrues. Dividends from overseas equities are grossed-up for the irrecoverable withholding tax suffered.

Unrealised gains and losses are calculated as the difference between carrying value and the original cost, and the movement during the year is recognised in the consolidated statement of financial activities. The value of realised gains and losses includes an adjustment for previously recognised unrealised gains or losses on investments disposed of in the accounting period.

Insurance contract liabilities

Insurance contract liabilities are measured as the sum of the LIC and LRC. The LIC represents the obligation to pay valid claims for insured events that have occurred, which may also include events that have already occurred but have not been reported to the trading subsidiaries. The LRC represents the trading subsidiaries liability for insured events that have not yet occurred under the insurance contract under IFRS 17. Insurance revenue in each reporting period represents the change in the LRC that relates to services for which the trading subsidiaries expect to receive consideration.

Investment contract liabilities

For products that have no significant insurance risk and are therefore classified as investment contracts a liability measured at fair value is recognised. The fair value of these liabilities is estimated based on an arms-length transaction between willing market participants with consideration given to the cost of the minimum repayment guarantee to the policyholders. The cost of the guarantee is determined using risk free rates of return, with the associated volatility assumption and allowing for the costs of administration associated with this low risk investment strategy.

Taxation

Taxation comprises current and deferred tax. Tax is included in calculating the net income/(expenditure) for the year except to the extent it relates to items recognised in other gains/(losses), in which case it is recognised in other gains/(losses). Irrecoverable tax withheld from overseas dividend income is recognised when the dividend is received.

Current tax is the expected tax payable by the trading subsidiaries on their taxable results for the period, after any adjustment in respect of prior periods.

Deferred tax is recognised in respect of timing differences, being the difference between when gains and losses are included in tax assessments and when they are recognised in the financial statements. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised, or when the deferred tax liability is settled, based on tax rates and laws which have been enacted or substantively enacted at the year end date.

Deferred tax assets are recognised to the extent that it is more likely than not that future taxable profits will be available against which the future reversal of timing differences can be offset.

In July 2023, the Financial Reporting Council issued Amendments to FRS 102 'International tax reform – Pillar Two model rules'. The amendments relate to the implementation of the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two Model Rules. It is anticipated that the trading subsidiaries will be impacted by these rules from 2025. As required by the amendment, the trading subsidiaries have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable assets and liabilities acquired at the date of acquisition. Goodwill is capitalised in the balance sheet and amortised through the statement of financial activities over its estimated useful economic life, on a straight-line basis. Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. The amortisation and impairment charge for the period is included in the statement of financial activities within expenditure arising from trading activities. Gains and losses on the disposal of a subsidiary or associated undertaking will include any attributable unamortised goodwill relating to the entity sold.

Intangible assets (continued)

Computer software

Computer software is carried at historical cost less accumulated amortisation and impairment, and amortised over a useful life of between three and ten years, using the straight-line method. Amortisation and impairment charges incurred for the period are included in the statement of financial activities within expenditure arising from trading subsidiaries.

Other intangible assets

Other intangible assets consist of acquired brand, customer and distribution relationships, and are carried at cost at acquisition less accumulated amortisation and impairment after acquisition. Amortisation is on a straight-line basis over the weighted average estimated useful life of the intangible assets acquired. Amortisation and impairment charges incurred for the period are included in the statement of financial activities within expenditure arising from trading activities.

Tangible assets

Owner-occupied properties are stated at fair value and movements are taken to the revaluation reserve, net of deferred tax. When such properties are sold, the accumulated revaluation surpluses are transferred from this reserve to non-charitable trading reserves.

Where the fair value of an individual property is below original cost, any revaluation movement arising during the year is recognised within net gains/(losses) on investments in the statement of financial activities. Valuations are carried out at least every three years by external qualified surveyors. Right-of-use assets are initially measured at cost and subsequently measured as cost less accumulated depreciation. All other items classified as tangible fixed assets are carried at historical cost less accumulated depreciation and impairment.

Land is not depreciated. No depreciation is provided on owner-occupied properties since such depreciation would be immaterial.

Depreciation is calculated to write down the cost of the assets to their residual values over their estimated useful lives as follows:

Computer equipment	3 - 5 years straight line
Motor vehicles	4 years straight line
Fixtures, fittings and office equipment	3 - 10 years, or length of lease straight line
Right-of-use assets	The shorter of the lease term and useful life of the asset

Investment property

Investment property comprises land and buildings which are held for long-term rental yields. It is carried at fair value with changes in fair value recognised in the statement of financial activities within net gains/(losses) on investments. Investment property is valued annually by external qualified surveyors at open market value. Where the Benefact Trust group of companies disposes of a property, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of financial activities within net gains/(losses) on investments.

Financial instruments

The Benefact Trust group of companies has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments, issued by the International Accounting Standards Board as adopted by the UK.

(i) Classification and measurement

All financial assets are to be initially recognised at fair value, plus or minus (in the case of a financial asset not at fair value through profit or loss (FVTPL)) transaction costs that are directly attributable to the acquisition of the financial instrument. Classification and subsequent measurement of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial instruments (continued)

(a) Debt instruments

There are three measurement categories into which the Benefact Trust group of companies classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income from these financial assets is included in dividend, interest and rental income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI, except where an election is made to classify as FVTPL. Movements in the carrying amount are taken through other gains/(losses) in the consolidated statement of financial activities, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in net income/(expenditure). When the financial asset is derecognised, the cumulative gain or loss previously recognised in other gains/(losses) is reclassified from reserves to net income/(expenditure) and recognised in net gains/(losses) on investments. Interest income from these financial assets is included in dividend, interest and rental income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. In order to eliminate or significantly reduce an accounting mismatch, an irrevocable election can be made (on an instrument-by-instrument basis) to classify and measure debt instruments at FVTPL instead of amortised cost or FVOCI. A gain or loss on a debt investment that is measured at FVTPL is recognised in the consolidated statement of financial activities and presented within net gains/(losses) on investments.

(b) Equity instruments

There are two measurement categories into which the Benefact Trust group of companies classifies its equity instruments:

- Fair value through profit or loss (FVTPL): By default, equity investments are classified and measured at FVTPL. Changes in the fair value of equity instruments at FVTPL are recognised in net gains/(losses) on investments in the consolidated statement of financial activities.

- Fair value through other comprehensive income (FVOCI): An irrevocable election can be made (on an instrument-by-instrument basis) on the date of acquisition to classify and measure equity instruments at FVOCI. Designation is not permitted if the equity instrument is held for trading. Where this election has been made, there is no subsequent reclassification of other recognised gains/(losses) following the derecognition of the investment. Dividends from such investments continue to be recognised within dividend, interest and rental income from investments when the right to receive payments is established.

(ii) Impairment

The Benefact Trust group of companies recognise a forward-looking loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost or FVOCI. ECL is an unbiased, probability-weighted estimate of credit losses and considers all reasonable and supportable information. The impairment methodology applied depends on whether there has been a significant increase in credit risk or default.

The Benefact Trust group of companies elects to apply the simplified approach permitted by IFRS 9 and recognises a lifetime ECL for trade receivables and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Benefact Trust group of companies historical credit loss experience, adjusted for current and forecast economic conditions.

For all other financial instruments, the Benefact Trust group of companies recognises a lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Benefact Trust group of companies measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected losses that will result from all possible default events over the expected life of a financial instrument. A 12-month ECL represents the portion of the lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. A financial asset is written off to the extent there is no reasonable expectation of recovery. Any subsequent recovery in excess of the financial asset's written down value is credited to net income/(expenditure).

Impairment losses are presented within expenditure arising from trading activities in the consolidated statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. The trading subsidiaries hold client money in segregated accounts and does not include these funds as assets on its balance sheet. Client money is held in a fiduciary capacity and is not controlled by the trading subsidiaries, nor does it provide economic benefits to the trading subsidiaries.

Provisions and contingent liabilities

Provisions are recognised when the trading subsidiaries have a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, embodying economic benefits, will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the trading subsidiaries expect a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when it is virtually certain that the reimbursement will be received.

The trading subsidiaries recognise a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation but either an outflow of resources is not probable or the amount cannot be reliably estimated.

Subordinated liabilities

Subordinated liabilities are recognised initially at fair value, being the issue proceeds net of premiums, discounts and transaction costs incurred. All borrowings are subsequently measured at amortised cost using the effective interest rate method. The amortisation is recognised as an interest expense using the effective interest rate method.

Employee benefits

Pension obligations

The trading subsidiaries operate a number of defined benefit and defined contribution plans, the assets of which are held in separate trustee-administered funds.

For defined benefit plans, the pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the consolidated statement of financial activities so as to spread the regular cost over the service lives of employees. The pension obligation is measured as the present value of the estimated future cash outflows using a discount rate based on market yields for high-quality corporate bonds. The resulting pension plan surplus, where recoverable, or deficit appears as an asset or obligation in the balance sheet. Any asset resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future employer contributions to the plan. Independent actuarial valuations are carried out at the end of each reporting period.

Current and past service costs, gains and losses on curtailments and settlements and net interest expense or income (calculated by applying a discount rate to the net defined benefit liability or asset) are recognised through net income/(expenditure). Actuarial gains and losses are recognised in full in the period in which they occur in the statement of financial activities within other recognised gains/(losses).

Contributions in respect of defined contribution plans are recognised as expenditure in the statement of financial activities as incurred.

Other post-employment obligations

Some trading subsidiaries provide post-employment medical benefits to their retirees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Interest expense (calculated by applying a discount rate to the net obligations) is recognised through net income/(expenditure). Actuarial gains and losses are recognised immediately in the statement of financial activities within other recognised gains/(losses). Independent qualified actuaries value these obligations at the end of each reporting period.

Other benefits

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Use of Alternative Performance Measures (APM)

The trading subsidiaries use certain key performance indicators which provide useful information and aim to enhance understanding of their performance. The key performance indicators should be considered complementary to, rather than a substitute for, financial measures defined under IFRS 17. Note 51 provides details of how these key performance indicators reconcile to the results reported under IFRS 17.

Leases

Group as lessee

From 1 January 2024, leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the lease asset is available for use by the trading subsidiaries. Each lease payment is deducted from the lease liability. Finance costs are charged to the statement of financial activities over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities are determined using the net present value of the payments over the lease term with the rate used to discount payments reflecting the rate implicit in the lease or, if it is not readily determinable, the lessees incremental borrowing rate, and include:

- Fixed payments less any lease incentives receivable;
- Variable lease payments that are based on an index or rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of an option if the lessee is reasonably certain to exercise that option; and
- Payments and penalties from terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are initially measured at cost and subsequently measured as cost less accumulated depreciation and comprises:

- The amount of the initial measurement of lease liability;
- Any lease payment made at or before the commencement date, less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are presented within tangible assets in the balance sheet.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the statement of financial activities. Short-term leases are leases with a lease term of 12 months or less.

The accounting policies applied in the prior year are as follows:

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made as lessees under operating leases are charged to net income/(expenditure) on a straight-line basis over the period of the lease. Rental income received as a lessor under operating leases is credited to net income/(expenditure) on a straight-line basis over the period of the lease. Benefits that the Benefact Trust group of companies receives as a lessee or provides as a lessor as an incentive to enter into an operating lease agreement are recognised on a straight-line basis over the period of the lease.

Leases, where a significant portion of the risks and rewards of ownership are transferred to the Benefact Trust group of companies, are classified as finance leases. Assets obtained under finance lease contracts are capitalised as tangible assets and are depreciated over the period of the lease. Obligations under such agreements are included within other creditors net of finance charges allocated to future periods. The interest element of the lease payments is charged to net income/(expenditure) over the period of the lease. Assets held under finance leases are not significant to these financial statements.

Group as lessor

The Benefact Trust group of companies enters into lease agreements as a lessor with respect to some of its investment properties. The Benefact Trust group of companies also sublets property that they no longer occupy.

Leases for which the Benefact Trust group of companies is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Leases (continued)

Group as lessor (continued)

When the Benefact Trust group of companies is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Benefact Trust group of companies' net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Benefact Trust group of companies net investment outstanding in respect of the leases.

19 Critical accounting estimates and judgements in applying accounting policies

The trading subsidiaries make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are regularly reviewed and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The trading subsidiaries' management have considered the current economic environment in their estimates and judgements.

The critical accounting estimates and judgements made by the trading subsidiaries relate to:

(a) The ultimate liability arising from claims incurred under general business insurance contracts
(b) Future benefit payments arising from life insurance contracts
(c) Pensions and other post-employment benefits
(d) Goodwill impairment and the carrying value of goodwill
(e) Unlisted equity securities
(f) Significant insurance risk
(g) Level of aggregation
(h) Risk adjustment
(i) Discount rates

Full details of the critical accounting estimates and judgements that are made by the trading subsidiaries can be found in the notes to the financial statements of the annual report and accounts of Benefact Group plc, which are available from the registered office on page 151.

20 Trading activities

The income and expenditure arising from trading activities relates to the activities of the charity's trading subsidiaries and associates.

A full list of the charity's trading subsidiaries and associates is provided in note 48. The results of the trading subsidiaries are included in unrestricted funds in the consolidated statement of financial activities.

The income arising from trading activities includes insurance revenue, as reconciled within note 50 (IV), and fee and commission income for asset management and broking and advisory services, which includes prepaid funeral plan distribution and administration.

The expenditure arising from trading activities includes insurance service expenses, as reconciled within note 50 (V), net expense from reinsurance contracts, and expenses for asset management and broking and advisory services, which includes prepaid funeral plan distribution and administration.

Gross written premiums are used as the measure for turnover of the general insurance and life insurance businesses. Fee and commission income earned in relation to services provided by the trading subsidiaries to third parties is the measure of turnover for asset management and broking and advisory activities, which includes prepaid funeral plan distribution and administration. Further information on gross written premiums, which are an alternative performance measure, are detailed in note 51.

(a) An analysis of the trading subsidiaries' turnover by geographical location of office is set out below:

2024	Insurance gross written premiums				
	General business £000	Life business £000	Asset Management £000	Broking and advisory £000	Total £000
United Kingdom and Ireland	443,700	(149)	15,000	85,203	543,754
Australia	95,345	-	-	-	95,345
Canada	101,556	-	-	-	101,556
Trading subsidiaries' turnover	640,601	(149)	15,000	85,203	740,655

Reconciliation of turnover to income arising from trading subsidiaries:

Turnover	740,655
Change in the gross unearned premium provision	(17,405)
Investment return	734
Recoveries of incurred claims and other insurance service expenses	69,529
Recoveries of losses on onerous contracts and reversal of those losses	(627)
Finance income from reinsurance contracts held	4,647
Share of profit on associate	(200)
Other income	487
Income arising from trading activities	797,820

(a) An analysis of the trading subsidiaries' turnover by geographical location of office (continued):

2023	Insurance gross written premiums				
	General business £000	Life business £000	Asset Management £000	Broking and advisory £000	Total £000
United Kingdom and Ireland	405,402	176	16,046	55,769	477,393
Australia	102,668	-	-	-	102,668
Canada	106,937	-	-	-	106,937
Trading subsidiaries' turnover	615,007	176	16,046	55,769	686,998

Reconciliation of turnover to income arising from trading subsidiaries:

Turnover	686,998
Change in the gross unearned premium provision	(35,861)
Other adjustments to insurance revenue	(29)
Investment return	832
Recoveries of incurred claims and other insurance service expenses	46,024
Recoveries of losses on onerous contracts and reversal of those losses	(91)
Finance income from reinsurance contracts held	7,190
Share of profit on associate	365
Other charges	(3)
Income arising from trading activities	705,425

(b) Expenditure arising from trading subsidiaries

	2024 £000	2023 £000
Insurance service expenses	**(450,446)**	(400,103)
Allocation of reinsurance premiums	**(150,849)**	(148,093)
Finance expense from insurance contracts issued	**(11,820)**	(24,102)
Reinsurance administration costs	**(2,643)**	(5,013)
Other operating expenses	**(178,903)**	(141,241)
Other finance costs	**(3,943)**	(2,308)
	(798,604)	(720,860)

(c) Fee and commission income

During the year the trading subsidiaries recognised £100.7m of revenue from contracts with customers. Fee and commission income from contracts with customers was recognised as follows:

	Recognised at a point in time £000	Recognised over time £000	Total £000
For the year ended 31 December 2024			
General business	543	-	543
Investment management	205	14,795	15,000
Broking and advisory	81,804	3,399	85,203
	82,552	18,194	100,746

(d) Results of trading subsidiaries engaged in insurance business*

	2024				2023
	Ecclesiastical Insurance Office plc £000	Ansvar Insurance Limited £000	Ecclesiastical Life Limited £000	Total £000	Total £000
Profit and loss account					
Turnover	547,991	95,345	(271)	643,065	617,598
Dividend and interest income	42,359	4,568	4,007	50,934	44,390
Other income	33,832	40,754	6,349	80,935	32,845
Total income	624,182	140,667	10,085	774,934	694,833
Insurance service expenses	(386,592)	(87,283)	(5,033)	(478,908)	(415,128)
Charitable donations	(3,379)	(155)	-	(3,534)	(2,961)
Other expenditure	(177,214)	(52,869)	(1,045)	(231,128)	(244,798)
Total expenditure	(567,185)	(140,307)	(6,078)	(713,570)	(662,887)
Net gains/(losses) on investments	28,203	158	(2,288)	26,073	16,468
Taxation	(9,099)	(297)	(378)	(9,774)	(4,812)
Gift aid paid to parent charity	(33,000)	-	-	(33,000)	(13,000)
Other comprehensive expense and changes in equity	(42,192)	(2,456)	-	(44,648)	(10,090)
Profit/(loss) retained and transferred to reserves	909	(2,235)	1,341	15	20,512
Balance sheet					
Total assets	1,292,810	233,130	238,127	1,764,067	1,692,437
Equity	560,958	52,665	54,159	667,782	671,037
Liabilities	731,852	180,465	183,968	1,096,285	1,021,400
Total equity and liabilities	1,292,810	233,130	238,127	1,764,067	1,692,437

These results have been included in the consolidated statement of financial activities after consolidation adjustments.

*These are the results of the trading subsidiaries under UKGAAP, the accounting basis used to prepare the consolidated financial statements of the Benefact Trust group of companies. The majority of the trading subsidiaries prepare their financial statements under IFRS.

(e) Results of trading subsidiaries engaged in broking and advisory services*

	2024				2023
	Ecclesiastical Planning Services Limited £000	**Lloyd & Whyte Group Limited £000**	**Lycetts Holdings Limited £000**	**Total £000**	Total £000
Profit and loss account					
Turnover	**6,854**	**50,393**	**29,380**	**86,627**	58,174
Dividend and interest income	**241**	**4,983**	**404**	**5,628**	2,776
Other income	**(175)**	**-**	**-**	**(175)**	(81)
Total income	**6,920**	**55,376**	**29,784**	**92,080**	60,869
Charitable donations	**-**	**(68)**	**(11)**	**(79)**	(176)
Other expenditure	**(7,124)**	**(51,734)**	**(27,835)**	**(86,693)**	(57,739)
Total expenditure	**(7,124)**	**(51,802)**	**(27,846)**	**(86,772)**	(57,915)
Taxation	**(6)**	**(2,323)**	**(608)**	**(2,937)**	(1,156)
Other comprehensive income/ (expense) and changes in equity	**-**	**2,397**	**(403)**	**1,994**	(2,626)
(Loss)/profit retained and transferred to reserves	**(210)**	**3,648**	**927**	**4,365**	(828)
Balance sheet					
Total assets	**610,586**	**14,546**	**24,198**	**649,330**	726,338
Equity	**6,206**	**2,477**	**13,917**	**22,600**	18,728
Liabilities	**604,380**	**12,069**	**10,281**	**626,730**	707,610
Total equity and liabilities	**610,586**	**14,546**	**24,198**	**649,330**	726,338

These results have been included in the consolidated statement of financial activities after consolidation adjustments.

The prior year comparatives contain the results of L&W from 30 June 2023 when it became a subsidiary. Further information on the acquisition can be found in note 35.

*These are the results of the trading subsidiaries under UKGAAP, the accounting basis used to prepare the consolidated financial statements of the Benefact Trust group of companies. The majority of the trading subsidiaries prepare their financial statements under IFRS.

(f) Results of trading subsidiaries engaged in asset management*

	2024			2023
	EdenTree Investment Management Limited	**EdenTree Asset Management Limited**	**Total**	Total
	£000	**£000**	**£000**	£000
Profit and loss account				
Turnover	6,881	10,079	16,960	17,989
Dividend and interest income	68	(6)	62	30
Total income	6,949	10,073	17,022	18,019
Charitable donations	-	(58)	(58)	(55)
Other expenditure	(9,724)	(12,164)	(21,888)	(24,465)
Total expenditure	(9,724)	(12,222)	(21,946)	(24,520)
Taxation	153	507	660	205
Loss retained and transferred to reserves	(2,622)	(1,642)	(4,264)	(6,296)
Balance sheet				
Total assets	16,489	12,996	29,485	36,411
Equity	9,049	9,439	18,488	17,253
Liabilities	7,440	3,557	10,997	19,158
Total equity and liabilities	16,489	12,996	29,485	36,411

These results have been included in the consolidated statement of financial activities after consolidation adjustments.

*These are the results of the trading subsidiaries under UKGAAP, the accounting basis used to prepare the consolidated financial statements of the Benefact Trust group of companies. The majority of the trading subsidiaries prepare their financial statements under IFRS.

21 Dividend, interest and rental income

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from financial assets at fair value through profit or loss						
Equity securities						
- listed	**8,955**	**2,579**	**11,534**	8,714	3,369	12,083
- unlisted	**3,981**	**-**	**3,981**	2,761	-	2,761
Debt securities						
- government bonds	**6,642**	**-**	**6,642**	3,811	-	3,811
- listed	**9,307**	**-**	**9,307**	11,131	384	11,515
Income from financial assets at amortised cost						
a. cash at bank and in hand and cash deposits net of exchange gains and losses	**2**	**7**	**9**	2,586	(34)	2,552
b. other income received	**10,897**	**-**	**10,897**	5,556	-	5,556
Other income						
c. rental income	**8,749**	**-**	**8,749**	8,665	-	8,665
	48,533	**2,586**	**51,119**	43,224	3,719	46,943

22 Net gains on investments

	2024			2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Net gains on investments	**18,726**	**10,001**	**28,727**	15,623	7,258	22,881
Net gains/(losses) on investment property	**2,831**	**-**	**2,831**	(6,616)	-	(6,616)
	21,557	**10,001**	**31,558**	9,007	7,258	16,265

23 Taxation

The charity is a UK registered charity and is therefore exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation for Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes.

Taxation arises from the activities of the charity's trading subsidiaries.

(a) Tax on net income/(expenditure) for the year

	2024	2023
	£000	£000
Current tax on net income/(expenditure) in the year		
UK corporation tax	**2,645**	1,058
Overseas tax	**5,974**	5,485
	8,619	6,543
Adjustments in respect of prior years		
UK corporation tax	**187**	(1,902)
Foreign tax	**21**	12
	208	(1,890)
Total current tax	**8,827**	4,653
Deferred tax		
Origination and reversal of timing differences	**1,757**	(690)
Impact of change in tax rate on opening liability	**(1)**	(103)
Adjustment in respect of prior years	**(128)**	1,379
Total deferred tax	**1,628**	586
Total tax on net income/(expenditure) for the year	**10,455**	5,239

Deferred tax has been provided at an average rate of 25% (2023: 25%).

Tax on the trading subsidiaries net income in the year before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

	2024	2023
	£000	£000
Net income before tax	**59,106**	19,043
Tax calculated at the UK standard rate of tax of 25.0% (2023: 23.5%)	**14,777**	4,475
Factors affecting charge for the year:		
Loss on reclassification of associate to subsidiary	-	266
Expenses not deductible for tax purposes	**10,632**	7,965
Non-taxable income	**(7,977)**	(5,658)
Tax relief for donations from EIO plc	**(8,250)**	(3,058)
Overseas taxes in excess of UK headline rate	**656**	653
Decrease in deferred tax asset not provided	**(1)**	(103)
Impact of differential between current and deferred tax rate	**538**	1,210
Adjustments to tax charge/(credit) in respect of prior periods	**80**	(511)
Total tax expense	**10,455**	5,239

On 20 June 2023 the UK substantively enacted Pillar Two global minimum tax rules as part of the OECD work on Base Erosion and Profit Shifting ("BEPS"). The legislation took effect for financial years commencing on or after 1 January 2024. The Pillar Two rules are subject to a group revenue threshold of €750m being exceeded in two of the previous four years. Based on this threshold the Benefact Trust group of companies is likely to be subject to these rules for the first time in the year ended 31 December 2025.

Under the Pillar Two rules, a top up tax will arise where the effective tax rate of the Benefact Trust group of companies' operations in any individual jurisdiction, calculated using principles set out in the Pillar Two rules is less than 15%. Simplified transitional safe harbours apply for 2025 and 2026 based on Country-by Country reporting data.

The Benefact Trust group of companies has performed an initial assessment of its exposure to Pillar Two taxes. This assessment shows that in relation to safe harbour periods the Benefact Trust group of companies does not anticipate that any material top-up tax should arise. In relation to full rules applicable from 2027 onwards further work will be carried out to assess the impact.

(b) Tax charged to other recognised gains/(losses)

	2024	2023
	£000	£000
Current tax charged on:		
Fair value movements on hedge derivatives	**276**	350
Fair value gains on property	**286**	-
Deferred tax (credited)/charged on:		
Fair value movements on owner-occupied property	**(286)**	216
Actuarial movements on retirement benefit plans	**(543)**	1,134
Fair value movements on hedge derivatives	**1,105**	338
Total tax charged to other recognised gains/(losses)	**838**	2,038

24 Net income/(expenditure) in the year

	2024		2023	
	Unrestricted funds	**Endowment funds**	Unrestricted funds	Endowment funds
Net income/(expenditure) in the year has been arrived at after (crediting)/charging:	**£000**	**£000**	£000	£000
Net foreign exchange (gains)/losses	**(807)**	**19**	(863)	(67)
Depreciation of tangible fixed assets	**8,560**	-	3,466	-
Amortisation of goodwill	**7,728**	-	3,532	-
Impairment of intangibles	**29**	-	1,429	-
Amortisation of intangible assets	**9,468**	-	6,973	-
Operating lease rentals	-	-	5,820	-
Fair value gains on investments designated at fair value through profit and loss	**(18,726)**	**(10,001)**	(15,623)	(7,258)
Fair value (gains)/losses on investment property	**(291)**	-	6,651	-

The amortisation and impairment of goodwill is included in 'expenditure arising from trading activities' in the consolidated statement of financial activities.

25 Auditors' remuneration

	2024	2023
	£000	£000
Fees payable to the charity's auditors for the audit of the charity's annual accounts	**70**	106
Fees payable to the charity's auditors and its associates for other services:		
- The audit of the charity's subsidiaries	**1,760**	2,810
Total audit fees	**1,830**	2,916
- Audit-related assurance services	**425**	529
- Other assurance services	-	76
Total non-audit fees	**425**	605
Total auditors' remuneration	**2,255**	3,521

Amounts disclosed are net of services taxes, where applicable. Audit-related assurance services include Prudential Regulatory Authority (PRA) and other regulatory audit work of the charity's subsidiaries.

Audit fees of the charity and of the charity's subsidiaries for the year ended 31 December 2023 include amounts related to the implementation of IFRS 17 *Insurance Contracts* .

26 Employee information

The average monthly number of employees of the Benefact Trust group of companies, including Executive Directors of the trading subsidiaries, during the year by geographical location was:

	2024 No.	2023 No.
United Kingdom and Ireland	**2,036**	1,906
Australia	**149**	166
Canada	**88**	78
	2,273	2,150

	2024 £000	2023 £000
Wages and salaries	**154,270**	126,627
Social security costs	**15,329**	11,911
Pension costs - defined contribution plans	**12,020**	10,271
Pension costs - defined benefit plans	**398**	867
Other post-employment benefits	**209**	230
	182,226	149,906
Capitalised staff costs	**(1,207)**	(37)
	181,019	149,869

The above figures do not include termination benefits of £1.6m (2023: £0.9m).

Due to the high number of qualified and skilled staff the Statement of Recommended Practice's requirement to disclose the number of employees who received emoluments over £60,000 is commercially sensitive to the trading activities of the Benefact Trust group of companies and, with the agreement of the charity's trustees, is not made here.

27 Key management remuneration

Four (2023: three) trustees received remuneration in their capacity as non-executive directors of subsidiary undertakings. One trustee received remuneration in their capacity as an executive and non-executive director of subsidiary undertakings. Details of the emoluments received are as follows:

	2024 £000	2023 £000
Sir Stephen Lamport*	**80**	77
Francois Boisseau	**79**	78
David Paterson**	**33**	-
Denise Cockrem - Executive fees***	**517**	-
Denise Cockrem - Non-executive fees***	**25**	-
Total emoluments paid to trustees in their capacity as directors of subsidiary undertakings	**734**	155

*Sir Stephen Lamport resigned as trustee on 5 March 2024 but continues as a director of a subsidiary undertaking.

**David Paterson was appointed as a non-executive director of a subsidiary undertaking on 25 June 2024.

***Denise Cockrem was appointed as a trustee on 1 October 2024. During the current and prior year she received remuneration as an executive and non-executive director of subsidiary undertakings. Further details of the executive remuneration received by Denise Cockrem can be found in the Remuneration Report of the Benefact Group plc annual report and accounts, available from the registered office, as shown on page 151.

None of the trustees was a member of the trading subsidiaries' defined benefit pension schemes during the current or prior year.

27 Key management remuneration (continued)

The key management remuneration of the charity is disclosed in note 11. The key management remuneration of the trading subsidiaries can be found in note 40 of the Benefact Group plc annual report and accounts which are available from the registered office, as shown on page 151.

28 Intangible assets

	Goodwill £000	Computer software £000	Other intangible assets £000	Total £000
Cost				
At 1 January 2024	**93,323**	**51,813**	**57,764**	**202,900**
Additions	**13,381**	**7,143**	**1,508**	**22,032**
Acquisition	**-**	**-**	**6,000**	**6,000**
Exchange movements	**-**	**(375)**	**(9)**	**(384)**
At 31 December 2024	**106,704**	**58,581**	**65,263**	**230,548**
Accumulated amortisation				
At 1 January 2024	**32,055**	**27,383**	**15,937**	**75,375**
Provided in the year	**7,728**	**3,518**	**5,950**	**17,196**
Impairment losses in the year	**-**	**29**	**-**	**29**
Exchange movements	**-**	**(310)**	**(9)**	**(319)**
At 31 December 2024	**39,783**	**30,620**	**21,878**	**92,281**
Net book value				
At 31 December 2023	61,268	24,430	41,827	127,525
At 31 December 2024	**66,921**	**27,961**	**43,385**	**138,267**

The intangible assets of the Benefact Trust group of companies relate to the trading subsidiaries. The parent charity has no intangible assets.

Goodwill arose on the acquisition of subsidiary undertakings and on the acquisition of business.

£7.6m of the goodwill balance in the current year (2023: £nil) relates to the acquisition of Access Underwriting Limited (Access) on 6 February 2024. Further information on the acquisition is disclosed within note 35.

£51.7m of the goodwill balance (2023: £57.8m) relates to the acquisition of L&W in 2023. £1.4m of the goodwill balance (2023: £1.7m) relates to the acquisition of G.D Anderson & Co in 2022. £1.6m of the goodwill balance (2023: £nil) relates to the acquisition of Boshers Ltd on 2 April 2024. £1.3m of the goodwill balance (2023: £nil) relates to the acquisition of the trade and assets of Martin-Readman & Partners on 1 January 2024. £0.9m of the goodwill balance (2023: £nil) relates to the acquisition of Clearbroking Ltd on 1 December 2024. £0.7m of the goodwill balance (2023: £nil) relates to the acquisition of Cheviot Insurance Services Ltd on 29 October 2024. £0.1m of the goodwill balance (2023: £nil) relates to the acquisition of the trade and assets of Salt Insurance Services Ltd on 2 February 2024. £0.7m of the goodwill balance (2023: £0.9m) relates to the acquisition of Robertson-McIsaac Limited in 2019. £0.5m of the goodwill balance (2023: £0.6m) relates to further acquisitions made by L&W in 2023. £0.4m (2023: £0.4m) of the goodwill balance relates to a book of business acquired by Lycetts in 2023.

Other intangible assets consist of brand, customer and distribution relationships acquired by the trading subsidiaries. £35.9m (2023: £40.3m) of the intangible assets relates to the acquisition of the assets of L&W. The acquired brand has a remaining useful life of eleven years. The acquired customer relationships has a remaining useful life of eight years. £0.4m (2023: £0.7m) of the other intangible assets balance relates to the acquisition of the assets of Funeral Planning Services Limited and has a remaining useful life of two years.

£5.4m (2023: £nil) of the other intangible assets relates to the acquisition of the assets of Access. The acquired brand has a remaining useful life of twelve years. The acquired customer relationships have a remaining useful life of eight years.

29 Tangible assets

	Land and buildings £000	Computer equipment £000	Motor vehicles £000	Office equipment £000	Right-of-use assets £000	Total £000
Cost or valuation						
At 31 December 2023	2,350	13,142	1,525	19,558	-	36,575
FRS 102 transition adjustment*	-	-	(1,324)	-	42,505	41,181
At 1 January 2024	2,350	13,142	201	19,558	42,505	77,756
Acquisitions	-	1	-	99	272	372
Additions	-	1,799	-	2,669	7,217	11,685
Disposals	(1,750)	(865)	(33)	(556)	(1,028)	(4,232)
Exchange movements	-	(121)	-	(276)	(454)	(851)
At 31 December 2024	600	13,956	168	21,494	48,512	84,730
Accumulated depreciation						
At 31 December 2023	-	10,841	595	8,506	-	19,942
FRS 102 transition adjustment*	-	-	(482)	-	13,777	13,295
At 1 January 2024	-	10,841	113	8,506	13,777	33,237
Charge for the year	-	1,696	22	2,182	4,660	8,560
Acquisitions	-	-	-	-	-	-
Disposals	-	(865)	(11)	(514)	(773)	(2,163)
Exchange movements	-	(95)	-	(114)	(191)	(400)
At 31 December 2024	-	11,577	124	10,060	17,473	39,234
Net book value						
At 31 December 2023	2,350	2,301	930	11,052	-	16,633
At 31 December 2024	600	2,379	44	11,434	31,039	45,496

*The Benefact Trust group of companies early adopted the Periodic Review 2024 amendments to FRS 102 from 1 January 2024 as detailed in note 18. On transition, assets previously accounted for as operating leases were capitalised as right-of-use assets, and motor vehicles previously held under finance leases were re-categorised as right-of-use assets.

The tangible assets of the Benefact Trust group of companies relate to the trading subsidiaries. The parent charity has no tangible assets.

Included within land and buildings at 31 December 2023 was a property held for sale with a value of £1.8m.

All properties, other than those held for sale, were last revalued at 31 December 2023. Valuations were carried out by Cluttons LLP, an independent professional firm of chartered surveyors, who have recent experience in the location and type of properties. Valuations were carried out in accordance with The RICS Global Valuation Standards dated 31 January 2022.

The value of land and buildings on a historical cost basis is £0.9m (2023: £1.5m).

30 Investment Property

	2024 £000	2023 £000
Fair value at 1 January	**130,813**	140,846
Disposals	**(2,541)**	(3,382)
Fair value gains/(losses)	**291**	(6,651)
Fair value at 31 December	**128,563**	130,813

The investment property of the Benefact Trust group of companies relates to the trading subsidiaries. The parent charity has no investment property.

The trading subsidiaries' investment properties were last revalued at 31 December 2024 by Cluttons LLP, an independent professional firm of chartered surveyors who have recent experience in the location and type of properties. Valuations were carried out in accordance with The RICS Global Valuation Standards dated 31 January 2022. There has been no change in valuation technique during the year.

The value of the investment property on a historical cost basis is £129.5m (2023: £136.2m).

Included within investment property are long leasehold properties with a net book value of £16.4m (2023: £17.3m).

There are no restrictions on the realisability of investment property, nor on the remittance of income and proceeds of disposal. At the year end, there were no significant contractual obligations relating to investment properties.

Investment property transactions are included in operating activities in the consolidated statement of cash flows.

31 Investments

	2024 £000	2023 £000
Financial assets at fair value through profit or loss		
Equity securities		
- listed	**366,055**	362,726
- unlisted	**99,747**	90,190
Debt securities		
- government bonds	**266,436**	258,479
- listed	**255,209**	262,021
Structured notes	**123,912**	94,970
Investment contract assets	**447,728**	457,688
Derivative financial instruments:		
- forwards	**4,149**	824
	1,563,236	1,526,898
Financial assets at amortised cost		
Other loans	**14**	34
	14	34
Total investments	**1,563,250**	1,526,932

Reconciliation of the movement in financial assets:

	Unrestricted funds		Endowment funds	Total funds
	At fair value through profit or loss £000	At amortised cost £000	At fair value through profit or loss £000	£000
2024				
Fair value at 1 January	**1,412,857**	**35**	**114,040**	**1,526,932**
Additions at cost	**172,177**	-	**16,704**	**188,881**
Disposal proceeds	**(156,423)**	-	**(22,190)**	**(178,613)**
Fair value gains	**37,580**	-	**10,001**	**47,581**
Redemption and repayments	-	**(21)**	-	**(21)**
Exchange losses	**(21,510)**	-	-	**(21,510)**
Fair value at 31 December	**1,444,681**	**14**	**118,555**	**1,563,250**
2023				
Fair value at 1 January	1,370,475	79,424	109,615	1,559,514
Additions at cost	201,154	2,402	76,396	279,952
Disposal proceeds	(169,524)	-	(79,229)	(248,753)
Transfers	-	(81,584)	-	(81,584)
Fair value gains	21,721	-	7,258	28,979
Redemptions and repayments	-	(207)	-	(207)
Exchange losses	(10,969)	-	-	(10,969)
Fair value at 31 December	1,412,857	35	114,040	1,526,932

Fair value gains/(losses) through profit or loss in the unrestricted fund excludes £2.2m fair value gains (2023: £0.9m fair value gains) on derivatives classified as financial liabilities.

32 Derivative financial instruments

The trading subsidiaries utilise derivatives to mitigate equity price risk arising from investments held at fair value, foreign exchange risk arising from investments denominated in foreign currencies, and foreign exchange risk arising from investments denominated in sterling that contain underlying foreign currency exposure. These 'non-hedge' derivatives either do not qualify for hedge accounting or the option to hedge account has not been taken.

A trading subsidiary has also formally designated certain derivatives as a hedge of its net investments in Australia and Canada. A gain of £8.8m (2023: gain of £4.9m) in respect of these 'hedge' derivatives has been recognised in the hedging reserve within unrestricted funds, as disclosed in note 43. The trading subsidiaries have formally assessed and documented the effectiveness of derivatives that qualify for hedge accounting in accordance with FRS 102.

	2024			2023		
	Contract/ notional amount £000	**Fair value asset £000**	**Fair value liability £000**	Contract/ notional amount £000	Fair value asset £000	Fair value liability £000
Non-hedge derivatives						
Foreign exchange contracts						
Forwards (Euro)	**134,525**	**1,098**	**-**	120,115	824	-
Forwards (US Dollar)	**35,902**	**-**	**215**	-	-	-
Hedge derivatives						
Foreign exchange contracts						
Forwards (Australian dollar)	**53,551**	**1,992**	**-**	54,584	-	1,156
Forwards (Canadian dollar)	**64,573**	**1,059**	**-**	52,960	-	1,224
	288,551	**4,149**	**215**	227,659	824	2,380

All derivatives in the current and prior period expire within one year. All contracts designated as hedging instruments were fully effective in the current and prior year.

The notional amounts above reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of the derivative transactions. They do not reflect current market values of the open positions.

Derivative fair value assets are recognised within investments (note 31) and derivative fair value liabilities are recognised within creditors (note 38).

33 Disposal of business

On 26 April 2024, L&W disposed of the financial planning arm of the financial services business, to Chase De Vere. A profit on disposal of £5.2m has been recognised in the consolidated statement of financial activities.

34 Investment in associate

On 20 September 2024 L&W acquired a further 10.0% of the issued ordinary share capital of Provenance IB Ltd, taking their total holding to 45.0% (2023: 35.0%). L&W also hold 20.0% of the ordinary issued capital of De Novo Risk Solutions Limited (2023: 20.0%). Provenance IB Ltd and De Novo Risk Solutions Limited are both unlisted companies incorporated in the United Kingdom. Investments in associates are accounted for using the equity method in these consolidated financial statements as set out in the accounting policies included within note 18.The carrying value of the investments in associate held by L&W at 31 December 2024 is £0.2m (2023: £0.4m).

On 30 June 2023, Benefact Group acquired an additional 10.1% of the issued ordinary share capital of its associate undertaking L&W, increasing its ownership to 50.1% and so obtaining control of the entity. See note 35 for further details of the business combination. The resulting treatment of derecognising the investment in associate is as follows:

	Share of net assets £000	Goodwill £000	Total £000
At 31 December 2022	3,010	9,601	12,611
Share of net income for the period to 30 June 2023	365	-	365
Dividends received	(900)	-	(900)
Fair value loss*	(1,130)	-	(1,130)
Derecognition on step acquisition	(1,345)	(9,601)	(10,946)
At 31 December 2023	-	-	-

At the year end date the Benefact Trust group of companies' interest in L&W was as follows:

	2023 £000
Benefact Trust group of companies' share of:	
Revenue	9,297
Assets	-
Liabilities	-
Share of net assets	-

*The remeasurement to fair value of Benefact Group's existing 40.0% interest in L&W resulted in a loss of £1.1m as below:

	2023 £000
Fair value of shares held at 30 June 2023	10,946
Carrying value of associate	(12,076)
	(1,130)

35 Acquisition of subsidiary

On 6 February 2024, the Benefact Group acquired 100% of the ordinary share capital of Access. Access is an unlisted company incorporated in the United Kingdom, whose primary activity is insurance brokerage services. The acquisition is part of the Benefact Group's strategy to double in size and continue to diversify.

The following summarises the consideration for Access and the amounts of the assets acquired and liabilities recognised at the acquisition date.

	2024 £000
Assets	
Intangible assets	6,000
Property, plant and equipment	372
Other assets	175
Cash	2,929
	9,476
Liabilities	
Borrowings	(411)
Deferred tax liabilities	(21)
Current tax liabilities	(175)
Other liabilities	(1,479)
	(2,086)
Total identifiable net assets	**7,390**
Cash	13,687
Contingent consideration arrangement	2,120
Total consideration	**15,807**
Fair value of identifiable net (assets)/liabilities	(7,390)
Goodwill	**8,417**
Cash flow analysis	
Cash consideration	13,687
Less cash balances acquired	(2,929)
	10,758

The goodwill of £8.4m comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

On 1 April 2024, L&W acquired 100% of the ordinary share capital of Boshers Ltd (Boshers). Boshers is an unlisted company incorporated in the United Kingdom, whose primary activity is insurance brokerage services. Goodwill of £1.7m was recognised on this acquisition.

On 29 October 2024, Lycett Browne Swinburne & Douglass Limited acquired 100% of the ordinary share capital of Cheviot Insurance Services Ltd (Cheviot). Cheviot is an unlisted company incorporated in the United Kingdom, whose primary activity is insurance brokerage services. Goodwill of £0.7m was recognised on this acquisition.

On 1 December 2024, L&W acquired 100% of the ordinary share capital of Clearbroking Ltd (Clearbroking). Clearbroking is an unlisted company incorporated in the United Kingdom, whose primary activity is insurance brokerage services. Goodwill of £0.9m was recognised on this acquisition.

On 30 June 2023, the Benefact Group acquired a further 10.1% of the issued ordinary share capital of L&W, taking its shareholding to 50.1% granting it control. L&W is an unlisted company incorporated in the United Kingdom, and the holding company of a group whose primary activity is insurance brokerage services. Prior to 30 June 2023, the Benefact Trust group of companies owned 40.0% of L&W shares and the investment was accounted for as an associate in accordance with FRS 102. The acquisition is part of the Benefact Group's strategy to double in size and continue to diversify.

The following summarises the consideration for L&W and the amounts of the assets acquired and liabilities recognised at the acquisition date:

	*Restated** 2023 £000
Assets	
Intangible assets	42,800
Deferred tax assets	572
Property, plant and equipment	613
Investment in associate	288
Other assets	29,930
Cash	8,418
	82,621
Liabilities	
Provisions for other liabilities	(1,438)
Borrowings	(83,511)
Current tax liabilities	(2,607)
Deferred income	(1,288)
Other liabilities	(27,212)
	(116,056)
Total identifiable net liabilities	**(33,435)**
Cash	2,782
Fair value of pre-existing interest in L&W	10,946
Total consideration	**13,728**
Non controlling interest	13,665
Fair value of subsidiary	**27,393**
Fair value of identifiable net assets	33,435
Goodwill	**60,828**
Cash flow analysis	
Cash consideration	2,782
Less cash balances acquired	(8,418)
	(5,636)

*The comparative financial statements have also been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance from the acquisition cash flows on acquisition of the L&W in the prior year. This restatement includes £14.8m decrease to the cash flows from the acquisition of interest in subsidiary, net of cash acquired, and £14.8m increase to net increase/(decrease) in creditors.

The remeasurement to fair value of the Benefact Group's existing 40.0% interest in L&W resulted in a loss of £1.1m. This amount has been included within loss on disposal of associate within the consolidated statement of financial activities.

The goodwill recognised comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition of additional interest in L&W

On 28 June 2024, the Benefact Group acquired an additional 15.0% of the issued ordinary share capital of L&W, increasing its ownership to 65.07%. A cash consideration of £2.8m was paid to the non-controlling interest shareholders. The difference of £1.9m between the consideration and the carrying value of the interest acquired has been credited to non-charitable trading reserves.

36 Debtors

	2024 £000	*Restated** 2023 £000
(a) Amounts falling due within one year		
Trade debtors	**407**	16,410
Other debtors	**28,172**	18,640
Amounts due from related parties	**3,194**	615
Reinsurers' contract assets	**130,213**	127,365
Accrued rent and interest	**8,953**	5,114
Current tax recoverable	**3,154**	6,045
Other prepayments and accrued income	**11,473**	12,296
	185,566	186,485
(b) Amounts falling due after one year		
Other debtors	**4,081**	3,221
Amounts due from related parties	**921**	-
Reinsurers' contract assets	**109,240**	92,743
Deferred tax assets	**7,814**	8,563
Other prepayments and accrued income	**1,728**	2,105
	123,784	106,632
Total debtors	**309,350**	293,117

*The comparative financial statements have been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance on its balance sheet. This restatement includes £0.5m decrease to debtors (trade debtors), £18.5m decrease to cash at bank and in hand and £19.5m decrease to creditors, in relation to certain broker businesses which were incorrectly included within the balance sheet in the prior period. There is no impact on net assets from this restatement. The comparative financial statements have also been restated to correct the classification of £11.1m debtors from accrued interest and rent to trade debtors in relation to the acquisition of L&W. The prior year comparative has also been restated to reclassify a £2.0m debtor balance from trade to other debtors.

Trade debtors are the debtors arising from the insurance broking activities of trading subsidiaries.

Included within other debtors is £0.9m (2023: £nil) classified as contract assets and £2.8m classified as receivables (2023: £nil).

(c) Expected credit losses

There has been no significant change in the recoverability of the trading subsidiaries' trade debtors, for which no collateral is held. The trustees consider that the amounts are recoverable at their carrying values, which are stated net of an allowance for doubtful debts for those debtors that are individually determined to be impaired.

The trading subsidiaries have recognised an expected credit loss of £5,000 (2023: £2,000) in respect of financial assets.

37 Cash at bank and in hand

	2024			*Restated** 2023		
	Unrestricted funds £000	**Endowment funds £000**	**Total £000**	Unrestricted funds £000	Endowment funds £000	Total £000
Short-term bank deposits	**75,971**	**617**	**76,588**	64,015	2,934	66,949
Cash at bank and in hand	**94,144**	**-**	**94,144**	97,273	-	97,273
	170,115	**617**	**170,732**	161,288	2,934	164,222

*The comparative financial statements have been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance on its balance sheet. This restatement includes £0.5m decrease to debtors, £18.5m decrease to cash at bank and in hand and £19.5m decrease to creditors, in relation to certain broker businesses which were incorrectly included within the balance sheet in the prior period. There is no impact on net assets from this restatement.

Included within short-term bank deposits of the trading subsidiaries are cash deposits of £3.8m (2023: £3.8m) pledged as collateral by way of cash margins on open derivative contracts to cover derivative liabilities. Included within cash at bank and in hand of the trading subsidiaries are amounts of £0.9m (2023: £0.9m) held in accordance with the third country branch requirements of the European Union.

Included within cash at bank and in hand of the trading subsidiaries are cash deposits of £9.2m (2023: £12.6m) pledged as collateral by way of cash calls from reinsurers.

38 Creditors

	2024	*Restated** 2023
	£000	£000
(a) Amounts falling due within one year		
Other creditors	**69,696**	41,031
Derivative liabilities	**215**	2,380
Corporation tax	**908**	4,761
Accruals and deferred income	**59,641**	50,108
	130,460	98,280
(b) Amounts falling due after one year		
Other creditors	**490**	1,072
Accruals and deferred income	**1,675**	1,407
	2,165	2,479

*The comparative financial statements have been restated to consistently apply the Benefact Trust group of companies accounting policy to remove client money and the corresponding creditor balance on its balance sheet. This restatement includes £0.5m decrease to debtors, £18.5m decrease to cash at bank and in hand and £19.5m decrease to other liabilities (other creditors), in relation to certain broker businesses which were incorrectly included within the balance sheet in the prior period. There is no impact on net assets from this restatement.

Deferred income arises from the operations of the trading subsidiaries. Included within accruals and deferred income falling due within one year is £2.7m (2023: £nil) classified as contracts liabilities.

39 Provisions for liabilities

	Notes	2024	2023
		£000	£000
Provisions for liabilities		**9,707**	6,404
Deferred tax liabilities		**42,299**	41,359
Technical provisions	50	**730,212**	725,813
Life business technical provisions		**385**	385
Investment contract liabilities		**627,312**	603,111
		1,409,915	1,377,072

All provisions relate to the trading subsidiaries. Technical provisions and life business technical provisions arise on the general insurance and life insurance business of the trading subsidiaries. Further details of these provisions are provided in note 50 (VI).

(a) Provisions for liabilities

	Regulatory and legal provisions £000	Other provisions £000	Contingent consideration £000	Total £000
At 31 December 2023	2,398	2,834	1,172	6,404
FRS 102 transition adjustment*	-	1,833	-	1,833
At 1 January 2024	2,398	4,667	1,172	8,237
Additional provisions	3,741	-	2,346	6,087
Used during year	(3,441)	(141)	(524)	(4,106)
Not utilised	(498)	(3)	-	(501)
Exchange differences	-	(10)	-	(10)
At 31 December 2024	2,200	4,513	2,994	9,707
Current	2,200	1,864	-	4,064
Non-current	-	2,649	2,994	5,643

*The Benefact Trust group of companies early adopted the Periodic Review 2024 amendments to FRS 102 from 1 January 2024 as disclosed in note 18.

Regulatory provisions

The trading subsidiaries operate in the financial services industry and are subject to regulatory requirements in the normal course of business, including contributing towards any levies raised on UK general and long-term business. The provisions reflect an assessment by the trading subsidiaries of their share of the total potential levies.

In addition, from time to time, the trading subsidiaries may be subject to complaints and threatened or actual legal proceedings. Whilst the majority relate to cases where there has been no customer detriment, the trustees recognise that the trading subsidiaries have provided, and continue to provide, advice and services across a wide spectrum of regulated activities. The trustees therefore believe it is prudent to hold a provision for the estimated costs of customer complaints relating to services provided. The Benefact Trust group of companies continues to reassess the ultimate level of complaints expected and the appropriateness of the provision, which reflects the expected redress and associated administration costs that would be payable in relation to any complaints the trading subsidiaries may uphold.

The Benefact Trust group of companies does not include disclosures in relation to contingent liabilities associated with cases where the likelihood of any payment is remote. The Benefact Trust group of companies also does not disclose an estimate of the potential financial impact or effect of contingent liabilities where it is not currently practicable to do so. The Benefact Trust group of companies is committed to promptly report incidents or cases to the relevant regulator or authority in certain circumstances.

Other provisions

The provision for other costs relates to costs in respect of dilapidations. Dilapidations provisions are based on the Benefact Trust group of companies' best estimate of future expense required to restore a leased property to its original state on completion of the lease.

Contingent consideration

The provision for contingent consideration relates to the provision held within L&W, recognised on acquisition and the provision recognised within Benefact Broking & Advisory Holdings, in relation to the acquisition of Access in the current year.

(b) Deferred tax

	2024	2023
	£000	£000
At 31 December	**32,796**	30,820
FRS 102 amendments adjustment	**(604)**	-
At 1 January	**32,192**	30,820
Charged to net income/(expenditure)	**1,629**	689
Credited to net income/(expenditure) - resulting from reduction in tax rate	**(1)**	(103)
Charged to other recognised gains/(losses)	**276**	1,580
Charged to other recognised gains - resulting from reduction in tax rate	**-**	108
Transfer on acquisition of subsidiary	**20**	(572)
Exchange differences	**369**	274
At 31 December	**34,485**	32,796

	2024	2023
	£000	£000
Deferred tax assets included in debtors	**7,814**	8,563
Deferred tax liabilities included in provisions for liabilities	**(42,299)**	(41,359)
Net provision for deferred tax	**(34,485)**	(32,796)
Deferred tax is provided as follows:		
Unrealised investment gains	**(35,568)**	(33,908)
Retirement benefit obligations	**(3,305)**	(3,747)
Depreciation in excess of capital allowances	**(3,275)**	(2,083)
Other timing differences	**7,663**	6,942
Net provision for deferred tax	**(34,485)**	(32,796)

Included in the above are unused tax losses of £9.3m (2023: £10.1m) arising from life business, which are available for offset against future tax profits and can be carried forward indefinitely.

The Benefact Trust group of companies expects a net deferred tax liability of £2.6m (2023: £4.2m net deferred tax liability) to reverse within 12 months of the year end date. The reversal is expected to arise from the sale of investments, claiming of capital allowances, settlement of overseas claims costs, and other temporary timing differences.

(c) Investment contract liabilities

	2024	2023
	£000	£000
Investment contract liabilities	**627,312**	603,111
	627,312	603,111

Investment contract liabilities represents amounts due to policyholders and, if applicable, the cost of the minimum repayment guarantee. Investment contract liabilities are repayable on demand or at short notice and are therefore classified as current. These liabilities are matched with highly liquid investments.

40 Subordinated liabilities

	2024	2023
	£000	£000
6.3144% EUR 30m subordinated debt	25,112	25,853
	25,112	25,853

Subordinated debt consists of a privately-placed issue of 20-year subordinated bonds by a trading subsidiary, maturing in February 2041 and callable after February 2031. Subordinated debt is stated at amortised cost.

41 Retirement benefit obligations

(a) Defined contribution pension plans

The trading subsidiaries operate a number of defined contribution pension plans, for which contributions are disclosed in note 26.

(b) Defined benefit pension plans

The trading subsidiaries' main defined benefit plan is operated by EIO plc for UK employees. The plan closed to new entrants on 5 April 2006. The terms of the plan for future service changed in August 2011 from a non-contributory final salary scheme to a contributory scheme in which benefits are based on career average revalued earnings. The scheme closed to future accrual on 30 June 2019. Active members in employment at this date retained certain enhanced benefits after the plan closed to future accrual, including benefits in relation to death in service and ill health retirement. They also retain the link to final salary whilst they remain employed by EIO plc. From 1 July 2019, active members in employment joined one of the trading subsidiaries' defined contribution plans. The scheme previously had two discrete sections: the EIO Section and the Ansvar Section. With effect from 1 January 2021, the two discrete sections of the scheme have been combined.

The assets of the main defined benefit plan are held separately from those of the trading subsidiary by the Trustee of the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund (the 'Fund'). The Fund is subject to the Statutory Funding Objective under the Pensions Act 2004. An independent qualified actuary appointed by the Trustee is responsible for undertaking triennial valuations to determine whether the Statutory Funding Objective is met. Pension costs for the plan are determined by the Trustee, having considered the advice of the actuary and having consulted with the employer. The most recent triennial valuation was at 31 December 2022. No contribution is expected to be paid by EIO plc in 2025.

Actuarial valuations were reviewed and updated by an actuary at 31 December 2024 for FRS 102 purposes. The surplus in the scheme attributable to the former EIO Section has been assessed against the economic benefit available as a reduction in future contributions in accordance with FRS 102. This has resulted in the recognisable surplus being restricted by £70.7m. EIO plc has an unconditional right to a refund of the surplus attributable to the former Ansvar Section of the Fund, which has been recognised in full in accordance with FRS 102.

On 25 July 2024, the Court of Appeal's judgement in the case of Virgin Media v NTL Trustees was released. A legal review of the deeds of the EIO plc defined benefit scheme was instructed by the trustee of the pension scheme. This review has been completed, no allowance has been made and there is no impact on the year end valuation of the scheme.

In addition to the trading subsidiaries' main defined benefit plan, Lycett, Browne-Swinburne & Douglass Limited (LBSD), also operates a defined benefit plan. The plan was closed to new members subsequent to the 1 January 2011 renewal, and was closed to future accrual on 30 September 2021. From 1 October 2021, active members in employment joined one of the trading subsidiaries' defined contribution plans. The most recent triennial valuation was at 1 January 2024. The contribution expected to be paid by LBSD into the plan during the next financial year is £nil (2023: £0.5m).

The actuarial valuation for the LBSD plan was reviewed and updated by an actuary at 31 December 2024. As LBSD does not have an unconditional right to a refund of the surplus in the scheme the recognisable surplus has been restricted by £2.6m in accordance with FRS 102.

As the LBSD plan was contracted-in to the State Pension scheme, it is not impacted by the ruling in the Virgin Media v NTL Trustees.

In the current year, actuarial gains arising from changes in financial assumptions of £28.1m (2023: actuarial losses of £8.2m) have been recognised in the statement of financial activities. This has mainly resulted from a 0.97% change in the discount rate, partially offset by a loss due to an increase in inflation. In the prior year, these losses resulted from a 0.27% decrease in the discount rate assumption, partially offset by inflation linked pension increases.

Experience losses of £0.2m have been recognised in the current year (2023: losses of £2.5m). In the current year, this is predominantly due to actual inflation exceeding the inflation assumptions. In the prior year, the experience loss was the result of updating for actual member experience in the trading subsidiaries' main defined benefit plan and from actual inflation exceeding the inflation assumptions. A review and update to certain demographic assumptions resulted in an actuarial gain of £0.5m (2023: £5.7m actuarial gain) being recognised in the current year.

The Trustees of the trading subsidiaries' main defined benefit plan set the investment objectives and strategy for the Fund based on independent advice and in consultation with the employer. Key factors addressed in setting strategy include the Fund's liability profile, funding level and strength of employer covenant. Their key objectives are to ensure the Fund can meet members' guaranteed benefits as they fall due, reduce the risk of assets failing to meet its liabilities over the long term and manage the volatility of returns and overall funding level.

A blend of diversified growth assets comprising equities, listed infrastructure and property and protection assets - bonds, gilts and cash - are deployed to balance the level of risk to that required to provide, with confidence, a sufficient return and liquidity to continue to meet members' obligations as they fall due. The Trustees have identified the key risks faced by the Fund in meeting this objective to be equity price risk, falls in bond yields and rising inflation.

A liability driven investment (LDI) allocation is maintained as a risk management tool to preserve some future protection for the Fund against falling yields and rising inflation. Exposure of the Fund's assets to interest rates and inflation counter-balances exposure of the Fund's liabilities to these factors and has suppressed, but not eliminated, volatility in the funding position.

The Trustees of the trading subsidiaries' main defined benefit plan regularly monitor investment performance and strategy to ensure the structure adopted continues to meet their objectives and to highlight opportunities to reduce investment risk and volatility where practical and affordable. Their aim is to achieve a long-term funding target in line with guidance from the Pensions Regulator. The Trustees intend that this long term target will be reached through investment performance only and without requiring further contributions from the employer. During 2024 the investment strategy has continued to evolve, to align more closely to the liability profile and improve interest rate and inflation matching.

The Trustees of the trading subsidiaries' main defined benefit plan adopt a Responsible and Sustainable Investment Policy in relation to the Fund's equities. This includes an 'absence of harm' exclusion policy, as well as an aspiration to reduce the portfolio's carbon intensity over time.

	2024	2023
	£000	£000
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	**(217,099)**	(244,844)
Fair value of plan assets	**307,955**	316,165
	90,856	71,321
Restrictions on asset recognised	**(73,304)**	(51,533)
Net asset in the balance sheet	**17,552**	19,788
The following is the analysis of the net pension asset for financial reporting purposes:		
Net pension asset	**17,552**	19,788
	17,552	19,788

	2024 £000	2023 £000
The amounts recognised in the consolidated statement of financial activities are as follows:		
Current service cost	**255**	257
Administration cost	**755**	949
Interest income on plan assets	**(13,989)**	(14,593)
Interest expense on scheme liabilities	**10,794**	11,128
Effect of interest on asset ceiling	**2,319**	2,752
Past service cost	**79**	167
Total, included in expenditure arising from trading activities	**213**	660
The amounts recognised in actuarial gains/(losses) on retirement benefits are as follows:		
Return on plan assets, excluding interest income	**(11,612)**	621
Experience losses on liabilities	**(211)**	(2,546)
Gains from changes in demographic assumptions	**536**	5,654
Gains/(losses) from changes in financial assumptions	**28,075**	(8,240)
Change in asset restriction	**(19,452)**	8,926
	(2,664)	4,415

The movements in the fair value of plan assets and the present value of the defined benefit obligations over the year are as follows:

	2024 £000	2023 £000
Plan assets		
At 1 January	**316,165**	311,236
Interest income	**13,989**	14,593
Return on plan assets, excluding interest income	**(11,612)**	621
Pension benefits paid and payable	**(10,473)**	(10,031)
Contributions paid	**641**	695
Administrative expenses	**(755)**	(949)
At 31 December	**307,955**	316,165
Defined benefit obligation		
At 1 January	**244,844**	238,191
Current service cost	**255**	257
Past service cost	**79**	167
Interest cost	**10,794**	11,128
Pension benefits paid and payable	**(10,473)**	(10,031)
Experience losses on liabilities	**211**	2,546
Gains from changes in demographic assumptions	**(536)**	(5,654)
(Gains)/losses from changes in financial assumptions	**(28,075)**	8,240
At 31 December	**217,099**	244,844
Asset ceiling		
At 1 January	**51,533**	57,707
Effect of interest on the asset ceiling	**2,319**	2,752
Change in asset ceiling	**19,452**	(8,926)
At 31 December	**73,304**	51,533

The principal actuarial assumptions (expressed as weighted averages) were as follows:

	2024	2023
	%	%
Discount rate	**5.47**	4.50
Inflation (RPI)	**3.25**	3.13
Inflation (CPI)	**2.80**	2.64
Future salary increases	**3.99**	3.85
Future increase in pensions in deferment	**3.25**	3.27
Future average pension increases (RPI)	**3.08**	3.00
Future average pension increases (CPI)	**2.10**	2.07

Mortality rate	2024	2023
The average life expectancy in years of a pensioner retiring at age 65, at the balance sheet date, is as follows:		
Male	**22.2**	22.2
Female	**23.8**	23.7
The average life expectancy in years of a pensioner retiring at age 65, 20 years after the balance sheet date, is as follows:		
Male	**23.0**	23.0
Female	**24.8**	24.7

Plan assets are as follows:	2024	2023
	£000	£000
Cash and other*	**7,336**	13,623
Equity instruments		
UK quoted	**19,796**	44,333
Overseas quoted	**28,063**	53,531
	47,859	97,864
Liability driven investments - unquoted	**86,329**	54,095
Debt instruments		
UK public sector quoted - fixed interest	**13,833**	9,768
UK public sector quoted - index linked	**2,002**	-
UK non-public sector quoted - fixed interest	**90,361**	81,223
UK quoted - index-linked	**18,638**	20,559
Overseas quoted	**3,171**	-
	128,005	111,550
Derivative financial instruments - unquoted	**(592)**	(144)
Property	**37,897**	37,932
Other	**1,121**	1,245
	307,955	316,165

*Includes accrued income, prepayments and other debtors and creditors.

The actual return on pension plan assets was a gain of £2.4m (2023: gain of £15.2m).

The underlying assets of the liability driven investments are primarily UK government bonds and interest rate repurchase agreements at various rates and terms.

The fair value of unquoted securities is measured using inputs for the asset that are not based on observable market data. The fair value is estimated and approved by the Trustee based on the advice of investment managers. Property is valued annually by independent qualified surveyors using standard industry methodology to determine a fair market value. All other investments either have a quoted price in active markets or are valued based on observable market data.

(c) Post-employment medical benefits

EIO plc operates a post-employment medical benefit plan, for which it chooses to self-insure. The method of accounting, assumptions and the frequency of valuation are similar to those used for the defined benefit pension plans.

The amounts recognised in the balance sheet are determined as follows:

	2024	2023
	£000	£000
Present value of unfunded obligations and net obligations in the balance sheet	**4,332**	4,801
Movements in the net obligations recognised in the balance sheet are as follows:		
At 1 January	**4,801**	4,960
Total expense charged to net income	**209**	230
Net actuarial gains, recognised in other recognised gains/(losses)	**(495)**	(120)
Benefits paid	**(183)**	(269)
At 31 December	**4,332**	4,801
The amounts recognised through net income/(expenditure) are as follows:		
Interest cost	**209**	230
Total, included in employee benefits expense	**209**	230

The weighted average duration of the net obligations at the end of the reporting period is 9.0 years (2023: 10.0 years).

The actuarial gain recognised in the current year has been driven by a £0.5m actuarial gain due to the increase in discount rate. This has been partially offset by an actuarial loss of £0.1m arising from a 0.12% increase in the medical cost inflation assumption. In the prior year, an actuarial loss of £0.2m was recognised as a result of a decrease in the discount rate. This was offset by an actuarial gain of £0.2m arising from changes in mortality assumptions, and a £0.1m gain due to changes in inflation.

The principal actuarial assumptions were as follows:	**2024**	2023
	%	%
Discount rate	**5.47**	4.50
Medical cost inflation	**7.26**	7.14

42 Summary of reserve movements

	Unrestricted funds General fund £000	Designated fund £000	Endowment fund £000	Revaluation reserve £000	Non-charitable trading reserve £000	Translation and hedging reserve £000	Total £000
Fund balance at 31 December 2023	4,519	2,178	117,097	856	511,174	19,650	655,474
FRS 102 transition adjustment	-	-	-	-	(1,755)	-	(1,755)
Fund balance at 1 January 2024	4,519	2,178	117,097	856	509,419	19,650	653,719
Income	584	2,826	2,586	-	845,743	-	851,739
Gift aid paid to charity parent	33,000	-	-	-	(33,000)	-	-
Expenditure	(24,906)	(2,166)	(427)	-	(801,879)	-	(829,378)
Fair value gains on investments	-	-	10,001	-	21,557	-	31,558
Taxation	-	-	(141)	-	(10,314)	-	(10,455)
Net reserve transfers	8,632	1,272	(9,904)	(856)	856	-	-
Currency translation differences	-	-	-	-	-	(9,325)	(9,325)
Gains on net investment hedges	-	-	-	-	-	8,809	8,809
Actuarial losses on retirement benefit obligations	-	-	-	-	(2,169)	-	(2,169)
Profit on disposal of business	-	-	-	-	5,187	-	5,187
Tax attributable to other recognised (losses)/gains	-	-	-	-	543	(1,381)	(838)
Non-controlling interests	-	-	-	-	(10,490)	-	(10,490)
Fund balance at 31 December 2024	21,829	4,110	119,212	-	525,453	17,753	688,357

42 Summary of reserve movements (continued)

	Unrestricted funds General fund £000	Designated fund £000	Endowment fund £000	Revaluation reserve £000	Non-charitable trading reserve £000	Translation and hedging reserve £000	Total £000
Fund balance at 31 December 2022	11,681	1,982	110,556	222	501,849	19,511	645,801
IFRS 9 transition	-	-	-	-	478	-	478
Fund balance at 1 January 2023	11,681	1,982	110,556	222	502,327	19,511	646,279
Income	521	543	3,719	-	748,085	-	752,868
Gift aid paid to charity parent	13,000	-	-	-	(13,000)	-	-
Expenditure	(22,410)	(2,576)	(347)	-	(723,627)	-	(748,960)
Fair value gains on investments	-	-	7,258	-	9,007	-	16,265
Loss on disposal of associate	-	-	-	-	(1,130)	-	(1,130)
Taxation	-	-	(133)	-	(5,106)	-	(5,239)
Net reserve transfers	1,727	2,229	(3,956)	-	-	-	-
Currency translation differences	-	-	-	-	-	(4,033)	(4,033)
Gains on net investment hedges	-	-	-	-	-	4,859	4,859
Actuarial gains on retirement benefit obligations	-	-	-	-	4,535	-	4,535
Fair value gains on property	-	-	-	850	-	-	850
Tax attributable to other recognised gains/ (losses)	-	-	-	(216)	(1,135)	(687)	(2,038)
Non-controlling interests	-	-	-	-	(8,782)	-	(8,782)
Fund balance at 31 December 2023	4,519	2,178	117,097	856	511,174	19,650	655,474

See note 16 for further information on the general unrestricted, designated and endowment funds.

The revaluation reserve represents the cumulative net fair value gains on the trading subsidiaries' owner occupied property.

Non-charitable trading reserves are funds accumulated by the trading subsidiaries of the Benefact Trust group of companies.

See note 43 for further information on the translation and hedging reserve.

43 Translation and hedging reserve

	Translation reserve £000	Hedging reserve £000	Total £000
At 1 January 2024	**14,761**	**4,889**	**19,650**
Losses on currency translation differences	**(9,325)**	**-**	**(9,325)**
Gains on net investment hedges	**-**	**8,809**	**8,809**
Attributable tax	**-**	**(1,381)**	**(1,381)**
At 31 December 2024	**5,436**	**12,317**	**17,753**
At 1 January 2023	18,794	717	19,511
Losses on currency translation differences	(4,033)	-	(4,033)
Gains on net investment hedges	-	4,859	4,859
Attributable tax	-	(687)	(687)
At 31 December 2023	14,761	4,889	19,650

The translation reserve arises on consolidation of the Benefact Trust group of companies' foreign operations. The hedging reserve represents the cumulative amount of gains and losses on hedging instruments in respect of the trading subsidiaries' net investments in foreign operations.

44 Analysis of changes in net debt

	At 1 January 2024 £000	Cashflows £000	Acquisition of subsidiary £000	New leases £000	Foreign exchange movements £000	Other non-cash changes £000	At 31 December 2024 £000
Cash and cash equivalents	**164,222**	**10,015**	**-**	**-**	**(3,505)**	**-**	**170,732**
Loans falling due after more than one year	**(25,853)**	**(18,140)**	**(122)**	**-**	**1,219**	**17,711**	**(25,185)**
Finance lease obligations	**(29,017)**	**3,019**	**(290)**	**(7,217)**	**358**	**174**	**(32,973)**
Total	**109,352**	**(5,106)**	**(412)**	**(7,217)**	**(1,928)**	**17,885**	**112,574**

45 Non-controlling interests

Non-controlling interests comprise 95.6% (2023: 95.6%) of the 106,450,000 (2023: 106,450,000) 8.625% Non-cumulative Irredeemable Preference shares (NcIPs) in EIO plc and the L&W non-controlling interest as summarised below:

	L&W £000	NCIPs £000	Total £000
At 1 January 2024	**13,664**	**101,815**	**115,479**
Purchase of non-controlling interest	**(4,763)**	**-**	**(4,763)**
Subsidiary profit attributable to non-controlling interest	**2,362**	**-**	**2,362**
At 31 December 2024	**11,263**	**101,815**	**113,078**

	L&W £000	NCIPs £000	Total £000
At 1 January 2023	-	101,815	101,815
Purchase of non-controlling interest	13,664	-	13,664
At 31 December 2023	13,664	101,815	115,479

On 30 June 2023 Benefact Group acquired a further 10.1% of the issued share capital of L&W, taking its shareholding to 50.1%. As a result £13.7m minority interest was recognised. Further details are disclosed in note 35.

On 28 June 2024, Benefact Group acquired an additional 15.0% of the issued ordinary share capital of L&W, increasing its ownership to 65.07%. Further details are disclosed in note 35.

46 Leases

Trading subsidiaries as lessee

The trading subsidiaries have lease contracts for various items of property, motor vehicles and other equipment used in their operations. Leases of property generally have terms of up to 15 years, while motor vehicles and other equipment generally have lease terms between 2 and 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions, but do not impose any covenants other than security interests. The trading subsidiaries' obligations under their leases are secured by the lessor's title to the leased assets, and leased assets may not be used as security for borrowing purposes.

Set out below are the carrying amounts of right of-use assets recognised and the movements during the period:

	Land and buildings £000	**Motor vehicles £000**	**Other equipment £000**	**Total £000**
Cost				
At 31 December 2023	-	1,324	-	1,324
FRS 102 transition adjustment*	39,860	-	1,321	41,181
At 1 January 2024	39,860	1,324	1,321	42,505
Acquisition	275	97	-	372
Additions	6,965	93	160	7,218
Disposals	(512)	(363)	(153)	(1,028)
Exchange differences	(454)	-	-	(454)
At 31 December 2024	46,134	1,151	1,328	48,613
Depreciation				
At 31 December 2023	-	482	-	482
FRS 102 transition adjustment*	12,744	-	551	13,295
At 1 January 2024	12,744	482	551	13,777
Charge for the period	4,213	209	238	4,660
Acquisition	58	42	-	100
Disposals	(466)	(184)	(122)	(772)
Exchange differences	(191)	-	-	(191)
At 31 December 2024	16,358	549	667	17,574
Net book value at 31 December 2024	29,776	602	661	31,039
Net book value at 31 December 2023	-	842	-	842

*The Benefact Trust group of companies early adopted the Periodic Review 2024 amendments to FRS 102 from 1 January 2024 as disclosed in note 18.

Set out below are the carrying amounts of lease obligations:

	2024	2023
	£000	£000
Current	**3,172**	-
Non-Current	**29,800**	-
	32,972	-

Net income/(expenditure) for the year has been arrived at after charging the following amounts in respect of lease contracts:

	2024	2023
	£000	£000
Depreciation expense of right-of-use assets	**4,660**	-
Interest expense on lease liabilities	**1,573**	-
Expenses relating to short-term leases	-	-
Expenses relating to low value leases	**57**	-
	6,290	-

The trading subsidiaries had total cash outflows for leases, including interest paid, of £4.6m (2023: £nil). The future cash outflows relating to leases that have not yet commenced are disclosed in note 47.

The trading subsidiaries have several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the trading subsidiaries business needs.

Trading subsidiaries as lessor

The trading subsidiaries have entered into operating leases on its investment property portfolio, These leases have terms of up to 50 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income on these properties recognised by the trading subsidiaries during the year are disclosed within note 21.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2024	2023
	£000	£000
Within 1 year	7,601	8,261
Between 1 & 5 years	19,084	21,519
After 5 years	9,936	13,397
	36,621	43,177

47 Financial commitments

Capital commitments

At the year end, the Benefact Trust group of companies had capital commitments of £0.4m (2023: £2.4m) relating to development costs. The charity had no capital commitments in the current and prior year.

The trading subsidiaries have lease contracts for right-of-use assets that had not commenced at 31 December 2024. These leases will commence in 2025. Leases for motor vehicles have a term of 4 years with expected cash outflow of £11,000 per annum.

48 Related undertakings

The charity's interest in related undertakings at 31 December 2024 is as follows:

Company	Company Registration Number	Share Capital	2024 Holding of shares by Charity	2024 Holding of shares by Subsidiary	2023 Holding of shares by Charity	2023 Holding of shares by Subsidiary	Activity
Subsidiary undertakings							
Incorporated in the United Kingdom							
Access Underwriting Limited [15]	03880990	Ordinary	-	100%	-	-	Insurance agents and brokers
Benefact Broking & Advisory Holdings Limited [15]	14493617	Ordinary	-	100%	-	100%	Investment holding company
Benefact Group plc[1]	1718196	Ordinary	100%	-	100%	-	Investment holding company
Benefact Management Services Limited [14]	1811698	Ordinary	-	100%	-	100%	Dormant company
Boshers Ltd [35]	02946794	Ordinary	-	65.07%	-	-	Insurance agents and brokers
Cheviot Insurance Services Ltd [15]	09303679	Ordinary	-	100%	-	-	Insurance agents and brokers
Clearbroking Ltd [35]	08024522	Ordinary	-	65.07%	-	-	Insurance agents and brokers
Cleddau Holdings Limited [35]	06537988	Ordinary	-	65.07%	-	50.09%	Investment holding company
Cleddau Insurance Services Limited [35]	06542667	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Davies Craddock (Holdings) Limited[7]	06523912	Ordinary	-	-	-	50.09%	Investment holding company
Davies Craddock Limited [7]	06403519	Ordinary	-	-	-	50.09%	Insurance
Direct Corporate Risks Limited [7]	12939587	Ordinary	-	-	-	50.09%	Insurance
Ecclesiastical Financial Advisory Services Limited [15]	2046087	Ordinary	-	100%	-	100.00%	Independent financial advisory
Ecclesiastical Group Healthcare Trustees Limited [15]	10988127	Ordinary	-	100%	-	100%	Trustee company
Ecclesiastical Insurance Office public limited company [1]	24869	Ordinary	-	100%	-	100%	Insurance
		Preference	-	4.35%	-	4.35%	
Ecclesiastical Life Limited [1]	0243111	Ordinary	-	100%	-	100%	Life insurance
Ecclesiastical Planning Services Limited [1]	02644860	Ordinary	-	100%	-	100%	Funeral plan administration
Ecclesiastical Underwriting Management Limited [15]	02368571	Ordinary	-	100%	-	100%	Trustee company

The financial statements of EIO plc and Benefact Group plc, the parent companies of the main trading groups, are publicly available, therefore a detailed analysis of their results is not presented here. Copies of the financial statements are available from the registered office as shown on page 151.

The charity's interest in related undertakings at 31 December 2024 is as follows:

Company	Company Registration Number	Share Capital	2024 Holding of shares by Charity	2024 Holding of shares by Subsidiary	2023 Holding of shares by Charity	2023 Holding of shares by Subsidiary	Activity
Subsidiary undertakings							
Incorporated in the United Kingdom							
EdenTree Asset Management Limited [1]	11923964	Ordinary	-	100%	-	100%	Investment management
EdenTree Holdings Limited [1 5]	14496067	Ordinary	-	100%	-	100%	Investment holding company
EdenTree Investment Management Limited [1]	2519319	Ordinary	-	100%	-	100%	Investment management
E.I.O. Trustees Limited [1 4]	0941199	Ordinary	-	100%	-	100%	Trustee company
G.D. Anderson & Co Limited [1 5]	00776446	Ordinary	-	100%	-	100%	Insurance agents and brokers
Grout Insurance Brokers Limited [1 5]	05127052	Ordinary	-	100%	-	-	Insurance agents and brokers
Insurance Broking Finance Limited [7]	04981657	Ordinary	-	-	-	50.09%	Insurance agents and brokers
Lycett, Browne-Swinburne & Douglass Limited [1]	00706042	Ordinary	-	100%	-	100%	Insurance agents and brokers
Lycetts Financial Services Limited [1]	02057974	Ordinary	-	100%	-	100%	Independent financial advisory
Lycetts Holdings Limited [1 5]	05866203	Ordinary	-	100%	-	100%	Investment holding company
Lycetts Risk Management Services Limited [1 5]	10906990	Ordinary	-	100%	-	100%	Risk management services
Lloyd & Whyte Community Broking Limited [3 5]	04640518	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Lloyd & Whyte (Financial Services) Limited [3 5]	02092560	Ordinary	-	65.07%	-	50.09%	Financial intermediary
Lloyd & Whyte Group Limited [3]	01143899	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Lloyd & Whyte Limited [3 5]	03686765	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Membership Plans Limited [3 5]	06322047	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Mi Speciality Limited [3]	07313009	Ordinary	-	65.07%	-	50.09%	Insurance
Naturesave Policies Limited [3 5]	02797137	Ordinary	-	65.07%	-	50.09%	Insurance

The financial statements of EIO plc and Benefact Group plc, the parent companies of the main trading groups, are publicly available, therefore a detailed analysis of their results is not presented here. Copies of the financial statements are available from the registered office as shown on page 151.

The charity's interest in related undertakings at 31 December 2024 is as follows:

Company	Company Registration Number	Share Capital	2024 Holding of shares by Charity	2024 Holding of shares by Subsidiary	2023 Holding of shares by Charity	2023 Holding of shares by Subsidiary	Activity
Subsidiary undertakings							
Playle-Russell (Special Risks) Limited [7]	03779860	Ordinary	-	-	-	50.09%	Insurance
Robertson-McIsaac Limited [1 5]	03544899	Ordinary	-	100%	-	100%	Insurance agents and brokers
SEIB Insurance Brokers Limited [1 5]	06317314	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
South Essex Insurance Holdings Limited [7]	06317313	Ordinary	-	-	-	50.09%	Investment holding company
Specialist Broking Retail Limited [3 5]	10301653	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Stride Limited [3 5]	01122247	Ordinary	-	65.07%	-	50.09%	Insurance agents and broker
The Medical Insurance Advisory Bureau Limited [3 5]	07217140	Ordinary	-	65.07%	-	50.09%	Insurance agents and brokers
Incorporated in Australia							
Ansvar Insurance Limited [2]	007216506	Ordinary	-	100%	-	100%	Insurance
Ansvar Insurance Services Pty Limited [2 6]	162612286	Ordinary	-	100%	-	100%	Dormant company
Ansvar Risk Management Services Limited [2]	623695054	Ordinary	-	-	-	100%	Dormant company
Associated undertakings							
Incorportated in the United Kingdom							
De Novo Risk Solutions Limited [3 5]	10246240	Ordinary	-	20%	-	20%	Insurance agents and brokers
Provenance IB Ltd [3 5 8]	11131702	Ordinary	-	45%	-	35%	Insurance agents and broker
Virtuoso Ins Group Ltd [3 5 8]	13800790	Ordinary	-	45%	-	35%	Insurance agents and broker

[1] *Registered office: Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW, United Kingdom*

[2] *Registered office: Level 5, 1 Southbank Boulevard, Melbourne, VIC 3006, Australia*

[3] *Registered office: Affinity House, Bindon Road, Taunton, Somerset, TA2 6AA*

[4] *Exempt from audit under s480 of the Companies Act 2006*

[5] *Exempt from audit under s479A of the Companies Act 2006*

[6] *Exempt from audit*

[7] *Entity dissolved on 24 December 2024*

[8] *Lloyd and Whyte Group Limited, a subsidiary of Benefact Group Plc, acquired a further 10% holding in Provenance IB Ltd on 20 September 2024, taking their total holding to 45%. Provenance IB Ltd holds 100% of the Ordinary Share Capital of Virtuoso Ins Group Ltd.*

On 26 February 2025, Access acquired the entire issued share capital of M Ladbrook Limited.

49 Related party transactions

Transactions between the charity and its subsidiaries, which are related parties, have been eliminated on consolidation and are not included in the analysis below.

Other related parties of the Benefact Trust group of companies include the trading subsidiaries' pension schemes. Prior year also includes transactions with associated undertakings.

	2024	2023
	£000	£000
Income from transactions with other related parties	**649**	750
Expenditure arising from transactions with other related parties	**(506)**	(1,362)
Amounts owed by other related parties	**4,115**	615
Amounts due to other related parties	**-**	-

50 Financial risk and insurance disclosures in respect of trading subsidiaries

I. Fair value hierarchy

The fair value measurement basis used to value those financial assets and financial liabilities held at fair value is categorised into a fair value hierarchy as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes listed equities in active markets, listed debt securities in active markets and exchange-traded derivatives.

Level 2: fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes listed debt or equity securities in a market that is not active and derivatives that are not exchange-traded.

Level 3: fair values measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes unlisted debt and equities, including investments in venture capital, and suspended securities. Where a look-through valuation approach is applied, underlying net asset values are sourced from the investee, translated into the Benefact Trust group of companies' functional currency and adjusted to reflect illiquidity where appropriate, with the fair values disclosed being directly sensitive to this input.

Instruments move between fair value hierarchies primarily due to increases or decreases in market activity or changes to the significance of unobservable inputs to valuation, and are recognised at the date of the event or change in circumstances which caused the transfer. During the year there was a transfer from level 1 to level 2 due to a change in observable inputs.

Analysis of fair value measurement bases	**Fair value measurement at the end of the reporting period based on**			
	Level 1	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
At 31 December 2024				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	**247,342**	**-**	**99,747**	**347,089**
Debt securities	**521,008**	**637**	**-**	**521,645**
Structured notes	**-**	**123,912**	**-**	**123,912**
Funeral plan investments	**-**	**447,728**	**-**	**447,728**
Derivatives	**-**	**4,149**	**-**	**4,149**
Total financial assets at fair value through profit or loss	**768,350**	**576,426**	**99,747**	**1,444,523**

Analysis of fair value measurement bases	Fair value measurement at the end of the reporting period based on			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 31 December 2023				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	250,106	-	90,191	340,297
Debt securities	516,844	2,079	(1)	518,922
Structured notes	-	94,970	-	94,970
Funeral plan investments	-	457,685	-	457,685
Derivatives	-	824	-	824
Total financial assets at fair value through profit or loss	766,950	555,558	90,190	1,412,698

The valuation techniques used for instruments categorised in levels 2 and 3 are described below.

Listed debt and equity securities not in active market (level 2)

These financial assets are valued using third-party pricing information that is regularly reviewed and internally calibrated based on management's knowledge of the markets.

Non-exchange-traded derivative contracts (level 2)

The trading subsidiaries' derivative contracts are not traded in active markets. Foreign currency forward contracts are valued using observable forward exchange rates corresponding to the maturity of the contract and the contract forward rate. Over-the-counter equity or index options and futures are valued by reference to observable index prices.

Structured notes (level 2)

These financial assets are not traded on active markets. Their fair value is linked to an index that reflects the performance of an underlying basket of observable securities, including derivatives, provided by an independent calculation agent.

Funeral plan investments (level 2)

The trading subsidiaries hold investments in respect of funeral plan policies which are predominantly invested in individual whole-of-life insurance policies. These are valued using valuations provided by the insurance policy provider.

Unlisted equity securities (level 3)

These financial assets are valued using observable net asset data, adjusted for unobservable inputs including comparable price-to-book ratios based on similar listed companies, normalised for performance measures where appropriate, and management's consideration of constituents as to what exit price might be obtainable.

The valuation is sensitive to the level of underlying net assets, the Euro exchange rate, the price-to-book ratio chosen, an illiquidity discount and a credit rating discount applied to the valuation to account for the risks associated with holding the asset. The sensitivity of the valuation to reasonable changes in the unobservable inputs is as follows:

	Change in variable	Potential increase/ (decrease) in valuation	
			*Restated**
		2024	2023
Increase in price-to-tangible book ratio	+10%	**9,884**	8,948
Decrease in price-to-tangible book ratio	-10%	**(9,884)**	(8,948)
Increase in illiquidity discount	+5%	**(5,814)**	(5,264)
Decrease in illiquidity discount	-5%	**5,814**	5,264

*The prior year comparatives have been restated to reflect the entire holding of the Benefact Group.

II. Financial risk and capital management

The principal financial risks to which the Benefact Trust group of companies is exposed arise from the financial assets, financial liabilities, reinsurance assets and insurance liabilities of the trading subsidiaries. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of financial risk are interest rate risk, credit risk, equity price risk and currency risk.

There has been no change from the prior period in the nature of the financial risks to which the trading subsidiaries are exposed. The continued conflict in Ukraine and the Middle East, broader geopolitical tensions including the recent uncertainty in trade tariffs, mean there is continued uncertainty in relation to the economic risks to which the trading subsidiaries are exposed. The management and measurement of financial risks is informed by either stochastic modelling or stress testing techniques.

(a) Interest rate risk

The trading subsidiaries' exposure to interest rate risk arises primarily from movements on financial investments that are measured at fair value and have fixed interest rates, which represent a significant proportion of the Benefact Trust group of companies' assets, subordinated debt which has a fixed interest until 2030, and from insurance liabilities discounted at a market interest rate. Investment strategy is set in order to control the impact of interest rate risk on anticipated trading subsidiary cash flows and asset and liability values. The fair value of the trading subsidiaries' investment portfolio of fixed income securities reduces as market interest rates rise as does the present value of discounted insurance liabilities, and vice versa.

Interest rate risk concentration is reduced by adopting asset-liability duration matching principles where appropriate.

For the trading subsidiaries' life insurance business, consisting of policies to support funeral planning products, benefits payable to policyholders are independent of the returns generated by interest-bearing assets held by the trading subsidiaries. Therefore, the interest rate risk on the invested assets supporting these liabilities is borne by the trading subsidiaries. This risk is mitigated by purchasing fixed interest investments with durations that match the profile of the liabilities. For funeral plan policies, benefits are linked to the Retail Price Index (RPI). Assets backing these liabilities are also linked to the RPI, and include index-linked gilts and corporate bonds. For practical purposes it is not possible to exactly match the durations due to the uncertain profile of liabilities (for example mortality risk) and the availability of suitable assets, therefore some interest rate risk will persist. The trading subsidiaries monitor their exposure by comparing projected cash flows for these assets and liabilities and making appropriate adjustments to their investment portfolio.

Where the trading subsidiaries invest funeral plan funds in a policy with an independent, third party, life insurance company, the trading subsidiaries have no net exposure to interest rate risk.

(b) Credit risk

Credit risk is the risk of non-payment of obligations by counterparties and financial markets borrowers. Areas where the trading subsidiaries are exposed to credit risk are:

- counterparty default on loans and debt securities;
- deposits held with banks;
- reinsurers' share of general insurance technical provisions (excluding provision for unearned premiums) and amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance intermediaries and policyholders; and
- the carrying value of whole-of-life assurance policies, purchased by the trading subsidiaries from independent, third party, life insurance companies, to meet the trading subsidiaries' obligations in respect of funeral plans sold.

The trading subsidiaries are exposed to minimal credit risk in relation to all other financial assets.

The carrying amount of financial and reinsurance assets represents the trading subsidiaries' maximum exposure to credit risk. The trading subsidiaries structure the levels of credit risk they accept by placing limits on their exposure to a single counterparty. Limits on the level of credit risk are regularly reviewed. Where available, the trading subsidiaries also manage their exposure to credit risk in relation to credit risk ratings. Investment grade financial assets are classified within the range of AAA to BBB ratings, where AAA is the highest possible rating. Financial assets which fall outside this range are classified as sub-investment grade. 'Not rated' assets capture assets not rated by external ratings agencies.

(b) Credit risk (continued)

The trading subsidiaries' cash balances are regularly reviewed to identify the quality of the counterparty bank and to monitor and limit concentrations of risk.

The debt securities portfolio consists of a range of mainly fixed interest instruments including government securities, local authority issues, corporate loans and bonds, overseas bonds, preference shares and other interest-bearing securities. Limits are imposed on the credit ratings of the corporate bond portfolio and exposures regularly monitored. Trading subsidiaries' investments in unlisted securities represent 0% of this category in the current year and 1% in the prior year.

Reinsurance is used to manage insurance risk. This does not, however, discharge the trading subsidiaries' liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the trading subsidiaries remain liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on a regular basis through the year by reviewing their financial strength.

The following table provides information regarding the credit risk exposure of the trading subsidiaries' financial assets with external credit ratings from Standard & Poors or an equivalent rating from a similar agency.

					*Restated**	
		At 31 December 2024			At 31 December 2023	
	Debt securities	**Reinsurance debtors**	**Cash****	Debt securities	Reinsurance debtors	Cash**
	£000	**£000**	**£000**	£000	£000	£000
AAA	**216,002**	**-**	**-**	207,068	-	-
AA	**149,341**	**11,087**	**67,039**	152,744	5,902	83,331
A	**87,153**	**13,242**	**69,670**	88,810	17,435	26,253
BBB	**52,830**	**-**	**-**	52,646	-	38,724
Below BBB	**5,430**	**-**	**10**	8,567	-	-
Not rated	**10,889**	**3,058**	**5**	9,087	3,500	9
	521,645	**27,387**	**136,724**	518,922	26,837	148,317

*The comparative financial statements have been restated to apply the Benefact Trust group of companies accounting policy to remove client money on its balance sheet.

**Cash includes amounts held on deposit classified within financial investments and disclosed within note 31. Cash balances which are not rated relate to cash amounts in hand.

The trading subsidiaries' credit risk policy details prescriptive methods for the collection of premiums and control of intermediary and policyholder debtor balances. The level and age of debtor balances are regularly assessed via monthly credit management reports. These reports are scrutinised to assess exposure by geographical region and counterparty of aged or outstanding balances. Any such balances are likely to be major international brokers that are in turn monitored via credit reference agencies and considered to pose minimal risk of default. The trading subsidiaries have no material concentration of credit risk in respect of amounts due from insurance intermediaries and policyholders.

Purchase of a whole-of-life assurance policy does not discharge the trading subsidiaries' liability to provide a funeral. If a third party life insurance company fails to pay a claim on notification of death of the insured life, for any reason, the trading subsidiaries remain liable for the funeral fee payable to the funeral director. The trading subsidiaries purchase life assurance policies from reputable, authorised life insurance companies, which are regulated by the PRA and FCA, and considers the risk of non-payment to be remote.

	2024	2023
	£000	£000
Insurance Debtors		
Current	**115,847**	134,790
0-30 days	**18,459**	17,262
30-90 days	**19,157**	6,629
More than 90 days	**15,826**	10,068
	169,289	168,749

(b) Credit risk (continued)

Reinsurance Debtors	2024 £000	2023 £000
Current	**19,107**	20,845
0-30 days	**1,560**	1,271
30-90 days	**1,439**	1,637
More than 90 days	**5,281**	3,084
	27,387	26,837

Amounts arising from expected credit losses on financial assets are as follows:

	2024 £000	2023 £000
Balance at 1 January	**2**	1,027
Movement in the year	**3**	(1,025)
Balance at 31 December	**5**	2

(c) Equity price risk

The trading subsidiaries are exposed to equity price risk because of financial investments held by the trading subsidiaries which are stated at fair value through profit and loss. The trading subsidiaries mitigate this risk by holding a diversified portfolio across geographical regions and market sectors, and through the use of derivative contracts from time to time which would limit losses in the event of a fall in equity markets.

The concentration of equity price risk by geographical listing, before the mitigating effect of derivatives, to which the trading subsidiaries are exposed is as follows:

	2024 £000		2023 £000
UK	**232,802**	UK	237,043
Europe	**98,839**	Europe	89,483
US	**15,448**	US	13,771
Total	**347,089**	Total	340,297

(d) Currency risk

The trading subsidiaries operate internationally and their main exposure to foreign exchange risk is noted below. The foreign operations generally invest in assets and purchase reinsurance denominated in the same currencies as their insurance liabilities, which mitigates the foreign currency exchange rate risk for these operations. As a result, foreign exchange risk arises from recognised assets and liabilities denominated in other currencies and net investments in foreign operations. The trading subsidiaries mitigate this risk through the use of derivatives when considered necessary.

The trading subsidiaries' exposure to foreign currency risk within the investment portfolios arises from purchased investments that are denominated in currencies other than sterling.

The trading subsidiaries' foreign operations create two sources of foreign currency risk:

- the operating results of the foreign branches and subsidiaries in the financial statements are translated at the average exchange rates prevailing during the period; and
- the equity investment in foreign branches and subsidiaries is translated into sterling using the exchange rate at the year-end date.

(d) Currency risk (continued)

The forward foreign currency risk arising on translation of these foreign operations is hedged by the derivatives which are detailed in note 32. The trading subsidiaries have designated certain derivatives as a hedge of their net investments in Canada and Australia, which have Canadian and Australian dollars respectively as their functional currency.

The largest currency exposures, before the mitigating effect of derivatives, with reference to net assets/liabilities are shown below, representing effective diversification of resources:

	2024		2023
	£000		£000
Can $	**81,992**	Can $	67,554
Euro	**70,724**	Aus $	61,822
Aus $	**57,248**	Euro	52,558
USD $	**13,691**	USD $	11,652
HKD $	**36**	HKD $	185

The figures in the table above, for the current and prior years, do not include currency risk that the trading subsidiaries are exposed to on a 'look through' basis in respect of collective investment schemes denominated in sterling. The trading subsidiaries enter into derivatives to hedge currency exposure, including exposures on a 'look through' basis. The open derivatives held by the trading subsidiaries at the year end to hedge currency exposures are detailed in note 32.

(e) Liquidity risk

Liquidity risk is the risk that funds may not be available to pay obligations when due. The trading subsidiaries are exposed to daily calls on their available cash resources mainly from claims arising from insurance contracts. The trading subsidiaries have robust processes in place to manage liquidity risk and have available cash balances, other readily marketable assets and access to funding in case of exceptional need. This is not considered to be a significant risk to the Benefact Trust group of companies.

A maturity analysis for the non-derivative net financial liabilities of the trading subsidiaries' life business liabilities is as follow:

	Maturing:			
	Within 1 year £000	Between 1 & 5 years £000	After 5 years £000	Total £000
At 31 December 2024				
Life business provision	**44**	**139**	**202**	**385**
At 31 December 2023				
Life business provision	40	126	219	385

(f) Market risk sensitivity analysis

The trading subsidiaries are exposed to market risk (comprising interest rate, currency and equity price risk). The sensitivity of net income/(expenditure) and reserves to movements in market risk variables, each considered in isolation and before the mitigating effect of derivatives, is shown in the table below. This table does not include the impact of variables on retirement benefit schemes.

		Potential increase/(decrease) increase in net income/(expenditure)		**Potential increase/ (decrease) in funds**	
Variable	**Change in variable**	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Interest rate risk	-100 basis points	**4,012**	814	**(129)**	(4)
	+100 basis points	**(3,594)**	906	**109**	3
Currency risk	-10%	**5,398**	4,065	**17,649**	16,070
	+10%	**(4,417)**	(3,326)	**(14,440)**	(13,148)
Equity price risk	+/- 10%	**26,032**	25,522	-	-

(f) Market risk sensitivity analysis (continued)

The following assumptions have been made in preparing the above sensitivity analysis:

- the value of fixed income investments will vary inversely with changes in interest rates, and all territories experience the same interest rate movement;
- currency gains and losses will arise from a change in the value of sterling against all other currencies moving in parallel;
- equity prices will move by the same percentage across all territories; and
- change in net income/(expenditure) is stated net of tax at the standard rate applicable in each of the territories in which the trading subsidiaries operate.

(g) Capital management

The Benefact Trust group of companies' primary objectives when managing capital are to:

- comply with the regulators' capital requirements of the markets in which the trading subsidiaries operate; and
- safeguard the Benefact Trust group of companies' ability to continue to meet stakeholders' expectations in accordance with the charity's objectives.

The trading subsidiaries are subject to insurance solvency regulations in all the territories in which they issue insurance and investment contracts, and capital is managed and evaluated on the basis of both regulatory and economic capital.

The UK regulated subsidiaries are required to comply with rules issued by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The PRA expects a firm, at all times, to hold Solvency II Own Funds in excess of its calculated Solvency Capital Requirement (SCR). Quantitative returns are submitted to the PRA, in addition to an annual narrative report, the Solvency and Financial Condition Report (SFCR) which is published on Benefact Group's website. A further report, the Regular Supervisory Report (RSR) is periodically submitted to the PRA.

Benefact Group's Solvency II Own Funds and Solvency Capital Requirement will be subject to a separate independent audit, as part of the process for Solvency II reporting to the PRA. Benefact Group expects to meet the PRA's deadline for submission to the PRA of 27 May 2025, and its SFCR will be made available on its website shortly after.

	2024	2023
	£000	£000
Solvency II Own Funds (unaudited)	**618,675**	597,763
Solvency Capital Requirement	**257,574**	265,475
Coverage Ratio	**240%**	225%

III. Insurance risk

Through the general insurance and life insurance operations of the trading subsidiaries, the Benefact Trust group of companies is exposed to a number of risks. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount and timing of the resulting claim. Factors such as the business and product mix, the external environment including market competition and reinsurance capacity all may vary from year to year, along with the actual frequency, severity and ultimate cost of claims and benefits. This subjects the trading subsidiaries to underwriting and pricing risk (the risk of failing to ensure disciplined risk selection and to obtain the appropriate premium), claims reserving risk (the risk of actual claims payments exceeding the amount being held in technical provisions) and reinsurance risk (the risk of failing to access and manage reinsurance capacity at a reasonable price).

(i) Risk Mitigation

Statistics demonstrate that the larger and more diversified the portfolio of insurance contracts, the smaller the relative variability in the expected outcome will be. The trading subsidiaries' underwriting strategy is designed to ensure that the underwritten risks are well diversified in terms of type and amount of risk and geographical spread. In all operations pricing controls are in place, underpinned by sound statistical analysis, market expertise and appropriate external consultant advice. Gross and net underwriting exposure is protected through the use of a comprehensive programme of reinsurance using both proportional and non-proportional reinsurance, supported by proactive claims handling. The overall reinsurance structure is regularly reviewed and modelled to ensure that it remains optimal to the trading subsidiaries' needs. The optimum reinsurance structure provides the trading subsidiaries with sustainable, long-term capacity to support its specialist business strategy, with effective balance sheet and profit and loss protection at a reasonable cost.

(i) Risk mitigation (continued)

Catastrophe protection is purchased following an extensive annual modelling exercise of gross and net (of proportional reinsurance) exposures. In conjunction with reinsurance brokers the trading subsidiaries utilise the full range of proprietary catastrophe models and continue to develop bespoke modelling options that better reflect the specialist nature of the portfolio. Reinsurance is purchased in line with the trading subsidiaries' risk appetite.

(ii) Concentrations of risk

The core business of the trading subsidiaries is general insurance, with the principal classes of business written being property and liability. The miscellaneous financial loss class of business covers personal accident, fidelity guarantee and loss of money, income and licence. The other class of business includes cover of legal expenses and also a small portfolio of motor policies, but this has been in run-off in the United Kingdom since November 2012. The whole-of-life insurance policies support funeral planning products.

The table below summarises written premiums for the financial year, before and after reinsurance, by territory and class of business which is an indication of the concentration of risk accepted by the trading subsidiaries in the year. Further details on gross and net written premiums, which is an alternative performance measure, are detailed in note 51.

		General insurance				Life insurance	
Territory		Property £000	Liability £000	Miscellaneous financial loss £000	Other £000	Whole-of-life £000	Total £000
2024							
United Kingdom and Ireland	Gross	**325,781**	**85,970**	**27,352**	**4,597**	**(149)**	**443,551**
	Net	**162,268**	**82,332**	**13,413**	**391**	**(149)**	**258,255**
Australia	Gross	**53,643**	**40,212**	**1,320**	**170**	**-**	**95,345**
	Net	**11,757**	**34,328**	**1,297**	**30**	**-**	**47,412**
Canada	Gross	**71,070**	**30,486**	**-**	**-**	**-**	**101,556**
	Net	**46,570**	**27,021**	**-**	**-**	**-**	**73,591**
Total	Gross	**450,494**	**156,668**	**28,672**	**4,767**	**(149)**	**640,452**
	Net	**220,595**	**143,681**	**14,710**	**421**	**(149)**	**379,258**
2023							
United Kingdom and Ireland	Gross	297,481	79,966	24,668	3,287	176	405,578
	Net	137,933	75,916	11,816	64	176	225,905
Australia	Gross	57,703	43,194	1,337	434	-	102,668
	Net	9,182	37,275	1,313	82	-	47,852
Canada	Gross	73,958	32,979	-	-	-	106,937
	Net	48,247	29,512	-	-	-	77,759
Total	Gross	429,142	156,139	26,005	3,721	176	615,183
	Net	195,362	142,703	13,129	146	176	351,516

More detailed information relating to the insurance risk arising from the trading subsidiaries can be found in note 3 of Benefact Group plc's annual report and accounts, which is available from the registered office on page 151.

IV. Insurance revenue

	General insurance £000	Life insurance £000	Total £000
For the year ended 31 December 2024			
Contracts not measured under PAA			
Amounts relating to the changes in the LRC			
Expected incurred claims and other expenses after loss component allocation	**-**	**(877)**	**(877)**
Change in the risk adjustment for non-financial risk for the risk expired after loss component	**-**	**16**	**16**
CSM recognised in net income/(expenditure) for the services provided	**-**	**712**	**712**
	-	**(149)**	**(149)**
Contracts measured under PAA	**623,875**	**-**	**623,875**
Total insurance revenue	**623,875**	**(149)**	**623,726**
For the year ended 31 December 2023			
Contracts not measured under PAA			
Amounts relating to the changes in the LRC			
Expected incurred claims and other expenses after loss component allocation	-	(590)	(590)
Change in the risk adjustment for non-financial risk for the risk expired after loss component	-	20	20
CSM recognised in net income/(expenditure) for the services provided	-	717	717
	-	147	147
Contracts measured under PAA	579,975	-	579,975
Total insurance revenue	579,975	147	580,122

V. Insurance services expenses

	General insurance £000	Life insurance £000	Total £000
For the year ended 31 December 2024			
Incurred claims and benefits excluding investment components	**304,128**	**-**	**304,128**
Insurance acquisition cash flows amortisation	**128,387**	**-**	**128,387**
Changes that relate to past service	**18,707**	**-**	**18,707**
Losses on onerous contracts and reversal of those losses	**(784)**	**-**	**(784)**
Changes that relate to current service	**-**	**8**	**8**
Total insurance service expenses	**450,438**	**8**	**450,446**
For the year ended 31 December 2023			
Incurred claims and benefits excluding investment components	308,069	-	308,069
Insurance acquisition cash flows amortisation	116,289	-	116,289
Changes that relate to past service	(24,547)	-	(24,547)
Losses on onerous contracts and reversal of those losses	155	-	155
Changes that relate to current service	-	137	137
Total insurance service expenses	399,966	137	400,103

VI. Insurance liabilities and reinsurance assets

	2024	*Restated** 2023
	£000	£000
Gross		
General Insurance contract liabilities for incurred claims	**635,317**	634,819
General Insurance contract liabilities for remaining coverage	**94,895**	90,994
Life insurance contract liabilities for remaining coverage	**385**	385
Total gross insurance contract liabilities	**730,597**	726,198
Reinsurance assets		
Reinsurance contract assets for incurred claims	**205,518**	198,768
Reinsurance contract assets for remaining coverage	**33,935**	21,340
Total reinsurers' share of insurance liabilities	**239,453**	220,108
Net		
General insurance contract liabilities for incurred claims	**429,799**	436,051
General insurance contract assets for remaining coverage	**60,960**	69,654
Life insurance contract liabilities for remaining coverage	**385**	385
Total net insurance liabilities	**491,144**	506,090
Gross insurance liabilities		
Current	**280,279**	306,411
Non-current	**450,318**	419,787
Reinsurance assets		
Current	**130,213**	127,365
Non-current	**109,240**	92,743

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

Gross insurance liabilities, also referred to as technical provisions, are included in provisions for liabilities (note 39). Reinsurers' share of insurance liabilities is included in debtors (note 36).

VI. Insurance liabilities and reinsurance assets (continued)

	Insurance contract liabilities			*Restated** Reinsurance contract assets		
	General liabilities for remaining coverage £000	General liabilities for incurred claims £000	Life liabilities for remaining coverage £000	General assets for remaining coverage £000	General assets for incurred claims £000	Total £000
At 1 January 2023	93,140	636,638	456	(14,155)	(225,969)	490,110
Insurance revenue	(579,975)	-	(147)	-	-	(580,122)
Incurred claims and other insurance service expenses	-	308,069	-	-	-	308,069
Changes that relate to current service	-	-	137	-	-	137
Changes that relate to past service	-	(24,547)	-	-	-	(24,547)
Losses on onerous contracts and reversal of those losses	155	-	-	-	-	155
Insurance acquisition cash flows amortisation	116,289	-	-	-	-	116,289
Insurance service expenses	116,444	283,522	137	-	-	400,103
Insurance service result before reinsurance contracts held	(463,531)	283,522	(10)	-	-	(180,019)
Allocation of reinsurance premiums	-	-	-	148,094	-	148,094
Recoveries of incurred claims and other insurance service expenses	-	-	-	5,013	(77,048)	(72,035)
Changes that relate to past service	-	-	-	-	31,024	31,024
Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	91	-	91
Net expense/(income) from reinsurance contracts	-	-	-	153,198	(46,024)	107,174
Finance income from insurance contracts issued	-	24,102	-	-	-	24,102
Finance income from reinsurance contracts held	-	-	-	-	(7,190)	(7,190)
Net insurance financial result	-	24,102	-	-	(7,190)	16,912
Total amounts recognised in statement of financial activities	(463,531)	307,624	(10)	153,198	(53,214)	(55,933)
Exchange differences	(1,661)	(13,309)	-	929	5,220	(8,821)
Premiums received	596,793	-	-	-	-	596,793
Insurance acquisition cash flows	(133,747)	-	-	-	-	(133,747)
Claims and other directly attributable expenses paid	-	(296,134)	(61)	-	-	(296,195)
Premiums paid	-	-	-	(161,312)	-	(161,312)
Amounts received	-	-	-	-	75,195	75,195
Total cash flows	463,046	(296,134)	(61)	(161,312)	75,195	80,734
At 31 December 2023	90,994	634,819	385	(21,340)	(198,768)	506,090

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amount recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance assets for incurred claims.

VI. Insurance liabilities and reinsurance assets (continued)

	Insurance contract liabilities			Reinsurance contract assets		
	General liabilities for remaining coverage £000	General liabilities for incurred claims £000	Life liabilities for remaining coverage £000	General assets for remaining coverage £000	General assets for incurred claims £000	Total £000
At 1 January 2024	90,994	634,819	385	(21,340)	(198,768)	506,090
Insurance revenue	(623,875)	-	149	-	-	(623,726)
Incurred claims and other insurance service expenses	-	304,128	-	-	-	304,128
Changes that relate to current service	-	-	8	-	-	8
Changes that relate to past service	-	18,707	-	-	-	18,707
Losses on onerous contracts and reversal of those losses	(784)	-	-	-	-	(784)
Insurance acquisition cash flows amortisation	128,387	-	-	-	-	128,387
Insurance service expenses	127,603	322,835	8	-	-	450,446
Insurance service result before reinsurance contracts held	(496,272)	322,835	157	-	-	(173,280)
Allocation of reinsurance premiums	-	-	-	150,849	-	150,849
Recoveries of incurred claims and other insurance service expenses	-	-	-	2,643	(92,137)	(89,494)
Changes that relate to past service	-	-	-	-	22,608	22,608
Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	627	-	627
Net expense/(income) from reinsurance contracts	-	-	-	154,119	(69,529)	84,590
Finance expense from insurance contracts issued	-	11,828	(8)	-	-	11,820
Finance income from reinsurance contracts held	-	-	-	-	(4,647)	(4,647)
Net insurance financial result	-	11,828	(8)	-	(4,647)	7,173
Total amounts recognised in statement of financial activities	(496,272)	334,663	149	154,119	(74,176)	(81,517)
Exchange differences	(2,386)	(20,357)	-	2,066	5,692	(14,985)
Premiums received	624,768	-	-	-	-	624,768
Insurance acquisition cash flows	(122,209)	-	-	-	-	(122,209)
Claims and other directly attributable expenses paid	-	(313,808)	(149)	-	-	(313,957)
Premiums paid	-	-	-	(168,780)	-	(168,780)
Amounts received	-	-	-	-	61,734	61,734
Total cash flows	502,559	(313,808)	(149)	(168,780)	61,734	81,556
At 31 December 2024	94,895	635,317	385	(33,935)	(205,518)	491,144

VI. Insurance liabilities and reinsurance assets (continued)

(a) General business insurance contracts

(i) Reconciliation of the liability for remaining coverage

Insurance contracts issued

	PAA		GMM	
	Excluding loss component £000	Loss component £000	Liability for remaining coverage £000	Total £000
At 1 January 2023	89,773	2,667	700	93,140
Insurance revenue	(579,975)	-	-	(579,975)
Losses on onerous contracts and reversal of those losses	-	155	-	155
Insurance acquisition cash flows amortisation	116,289	-	-	116,289
Insurance service expenses	116,289	155	-	116,444
Total amounts recognised in statement of financial activities	(463,686)	155	-	(463,531)
Exchange differences	(1,531)	(130)	-	(1,661)
Premiums received	596,793	-	-	596,793
Insurance acquisition cash flows	(133,747)	-	-	(133,747)
Total cash flows	463,046	-	-	463,046
At 31 December 2023	87,602	2,692	700	90,994
Insurance revenue	**(623,875)**	**-**	**-**	**(623,875)**
Losses on onerous contracts and reversal of those losses	**-**	**(784)**	**-**	**(784)**
Insurance acquisition cash flows amortisation	**128,387**	**-**	**-**	**128,387**
Insurance service expenses	**128,387**	**(784)**	**-**	**127,603**
Total amounts recognised in statement of financial activities	**(495,488)**	**(784)**	**-**	**(496,272)**
Exchange differences	**(2,214)**	**(172)**	**-**	**(2,386)**
Premiums received	**624,768**	**-**	**-**	**624,768**
Insurance acquisition cash flows	**(122,209)**	**-**	**-**	**(122,209)**
Total cash flows	**502,559**	**-**	**-**	**502,559**
At 31 December 2024	**92,459**	**1,736**	**700**	**94,895**

VI. Insurance liabilities and reinsurance assets (continued)

(ii) Reconciliation of the liability for incurred claims

Insurance contracts issued

	Estimates of present value of future cash flows £000	Risk adjustment for non-financial risk £000	Total £000
At 1 January 2023	548,505	88,133	636,638
Incurred claims and other insurance service expenses	293,527	14,542	308,069
Changes that relate to past service	(3,659)	(20,888)	(24,547)
Insurance service expenses	289,868	(6,346)	283,522
Insurance service result before reinsurance contracts held	289,868	(6,346)	283,522
Finance expense from insurance contracts issued	24,102	-	24,102
Net insurance financial result	24,102	-	24,102
Total amounts recognised in statement of financial activities	313,970	(6,346)	307,624
Exchange differences	(11,362)	(1,947)	(13,309)
Claims and other directly attributable expenses paid	(296,134)	-	(296,134)
Total cash flows	(296,134)	-	(296,134)
At 31 December 2023	554,979	79,840	634,819
Incurred claims and other insurance service expenses	**291,510**	**12,618**	**304,128**
Changes that relate to past service	**31,155**	**(12,448)**	**18,707**
Insurance service expenses	**322,665**	**170**	**322,835**
Insurance service result before reinsurance contracts held	**322,665**	**170**	**322,835**
Finance expense from insurance contracts issued	**11,828**	**-**	**11,828**
Net insurance financial result	**11,828**	**-**	**11,828**
Total amounts recognised in statement of financial activities	**334,493**	**170**	**334,663**
Exchange differences	**(17,740)**	**(2,617)**	**(20,357)**
Claims and other directly attributable expenses paid	**(313,808)**	**-**	**(313,808)**
Total cash flows	**(313,808)**	**-**	**(313,808)**
At 31 December 2024	**557,924**	**77,393**	**635,317**

VI. Insurance liabilities and reinsurance assets (continued)

(iii) Reconciliation of the asset for remaining coverage

Reinsurance contracts held

	Excluding loss recovery component £000	Loss recovery component £000	Total £000
At 1 January 2023 *(Restated*)*	11,794	2,361	14,155
Allocation of reinsurance premiums	(148,094)	-	(148,094)
Recoveries of incurred claims and other insurance service expenses	(5,013)	-	(5,013)
Recoveries of losses on onerous contracts and reversal of those losses	-	(91)	(91)
Net expense from reinsurance contracts	(153,107)	(91)	(153,198)
Total amounts recognised in statement of financial activities	(153,107)	(91)	(153,198)
Exchange differences	(812)	(117)	(929)
Premiums paid	161,312	-	161,312
Total cash flows	161,312	-	161,312
At 31 December 2023 *(Restated*)*	19,187	2,153	21,340
Allocation of reinsurance premiums	**(150,849)**	**-**	**(150,849)**
Recoveries of incurred claims and other insurance service expenses	**(2,643)**	**-**	**(2,643)**
Recoveries of losses on onerous contracts and reversal of those losses	**-**	**(627)**	**(627)**
Net expense from reinsurance contracts	**(153,492)**	**(627)**	**(154,119)**
Total amounts recognised in statement of financial activities	**(153,492)**	**(627)**	**(154,119)**
Exchange differences	**(1,928)**	**(138)**	**(2,066)**
Premiums paid	**168,780**	**-**	**168,780**
Total cash flows	**168,780**	**-**	**168,780**
At 31 December 2024	**32,547**	**1,388**	**33,935**

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

VI. Insurance liabilities and reinsurance assets (continued)

(iv) Reconciliation of the asset for incurred claims

Reinsurance contracts held

	Estimates of present value of future cash flows £000	Risk adjustment for non-financial risk £000	Total £000
At 1 January 2023 *(Restated*)*	200,215	25,754	225,969
Recoveries of incurred claims and other insurance service expenses	71,621	5,427	77,048
Changes that relate to past service	(19,275)	(11,749)	(31,024)
Net income/(expense) from reinsurance contracts	52,346	(6,322)	46,024
Finance income from reinsurance contracts held	7,190	-	7,190
Net insurance financial result	7,190	-	7,190
Total amounts recognised in statement of financial activities	59,536	(6,322)	53,214
Exchange differences	(4,385)	(835)	(5,220)
Amounts received	(75,195)	-	(75,195)
Total cash flows	(75,195)	-	(75,195)
At 31 December 2023 *(Restated*)*	180,171	18,597	198,768
Recoveries of incurred claims and other insurance service expenses	**87,772**	**4,365**	**92,137**
Changes that relate to past service	**(10,802)**	**(11,806)**	**(22,608)**
Net income/(expense) from reinsurance contracts	**76,970**	**(7,441)**	**69,529**
Finance income from reinsurance contracts held	**4,647**	**-**	**4,647**
Net insurance financial result	**4,647**	**-**	**4,647**
Total amounts recognised in statement of financial activities	**81,617**	**(7,441)**	**74,176**
Exchange differences	**(5,167)**	**(525)**	**(5,692)**
Amounts received	**(61,734)**	**-**	**(61,734)**
Total cash flows	**(61,734)**	**-**	**(61,734)**
At 31 December 2024	**194,887**	**10,631**	**205,518**

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

(v) Reserving methodology

Reserving for non-life insurance claims is a complex process and the trading subsidiaries adopt recognised actuarial methods and, where appropriate, other calculations and statistical analysis. Actuarial methods used include the chain ladder, Bornhuetter-Ferguson and average cost methods.

Chain ladder methods extrapolate paid amounts, incurred amounts (paid claims plus case estimates) and the number of claims or average cost of claims, to ultimate claims based on the development of previous years. This method assumes that previous patterns are a reasonable guide to future developments. Where this assumption is felt to be unreasonable, adjustments are made or other methods such as Bornhuetter-Ferguson or average cost are used. The Bornhuetter-Ferguson method places more credibility on expected loss ratios for the most recent loss years. For smaller portfolios the materiality of the business and data available may also shape the methods used in reviewing reserve adequacy.

VI. Insurance liabilities and reinsurance assets (continued)

(v) Reserving methodology (continued)

The selection of results for each accident year and for each portfolio depends on an assessment of the most appropriate method. Sometimes a combination of techniques is used. The average weighted term to payment is calculated separately by class of business and is based on historical settlement patterns.

(vi) Risk Adjustment for non-financial risk

The Risk Adjustment for non-financial risk is the compensation the trading subsidiaries require for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk as they fulfil insurance contracts. Uncertainty is assessed using actuarial methods to quantify the variability in undiscounted net outcomes on an ultimate horizon.

The trading subsidiaries' risk appetite is to hold claims reserves, including a net Risk Adjustment, equating to at least a 75% probability of sufficiency. This approach generally results in a favourable release of provisions in the current financial year, arising from the settlement of claims relating to previous financial years.

Overall, it is estimated that the booked net Risk Adjustment provides for a confidence level of approximately 90% (2023: 90%), which is established by comparing the uplift for the booked net Risk Adjustment to the uncertainty distribution. Percentile estimates for loss distributions are highly uncertain as they contain a large number of judgments on possible future outcomes. This means that the percentile may see some fluctuation year on year due to inherent volatility.

(vii) Calculation of provisions for latent claims

The trading subsidiaries adopt commonly used industry methods including those based on claims frequency and severity and benchmarking.

(viii) Discounting

General insurance outstanding claims provisions have been discounted by applying currency and term specific discount rates in the following territories:

	Discount rate	
Geographical territory	**2024**	2023
UK and Ireland	**4.6% to 6.2%**	4.0% to 5.3%
Canada	**3.0% to 4.9%**	3.5% to 4.7%
Australia	**4.5%**	3.9%

The above rates of interest are based on government bond yields of the relevant currency and term at the reporting date. Adjustments are made, where appropriate, to reflect the illiquidity of the liabilities.

The impact of discount rate changes on reinsurance contracts held is presented within income arising from trading activities in the consolidated statement of financial activities. The impact of discount rate changes on insurance contracts issued is presented within expenditure arising from trading activities in the consolidated statement of financial activities.

(ix) Assumptions

The trading subsidiaries follow a process of reviewing their reserves for outstanding claims on a regular basis. This involves an appraisal of each reserving class with respect to ultimate claims liability for the recent exposure period as well as for earlier periods, together with a review of the factors that have the most significant impact on the assumptions used to determine the reserving methodology. The work conducted is subject to an internal peer review and management sign-off process.

The most significant assumptions in determining the undiscounted general insurance outstanding claims provision are the anticipated number and ultimate settlement cost of claims, and the extent to which reinsurers will share in the cost. Factors which influence decisions on assumptions include legal and judicial changes, significant weather events, other catastrophes, subsidence events, exceptional claims or substantial changes in claims experience and developments in older or latent claims. Significant factors influencing assumptions about reinsurance are the terms of the reinsurance treaties, the anticipated time taken to settle a claim and the incidence of large individual and aggregated claims.

VI. Insurance liabilities and reinsurance assets (continued)

(x) Changes in assumptions

There are no significant changes in approach but we continue to evolve estimates in light of underlying experience.

(xi) Sensitivity of results

The sensitivity of net income/(expenditure) before tax to reasonably possible final settlement assumptions used to calculate the general insurance outstanding claims provision is shown in the following table. No account has been taken of any correlation between the assumptions.

	Change in variable	**Potential (decrease)/ increase in the result**			
				*Restated**	
		2024		2023	
		Gross	**Net**	Gross	Net
		£000	**£000**	£000	£000
Deterioration in loss ratio	+1%	**(6,232)**	**(3,634)**	(5,791)	(3,301)
Improvement in loss ratio	-1%	**6,232**	**3,634**	5,791	3,301
Increase in net liability for incurred claims excluding risk adjustment	+10%	**(55,792)**	**(36,304)**	(55,498)	(39,365)
Decrease in net liability for incurred claims excluding risk adjustment	-10%	**55,792**	**36,304**	55,498	39,365
Increase in risk adjustment**	+1%	**(6,781)**	**(4,674)**	(6,590)	(4,842)
Decrease in risk adjustment**	-1%	**6,781**	**4,674**	6,590	4,842

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

** Calculated on undiscounted present value of future cash flows

At 31 December 2024, it is estimated that a fall of 1% in the discount rates used would increase the trading subsidiaries net outstanding claims liabilities and decrease profit before tax and equity by £13.6m (2023: £14.3m).

VI. Insurance liabilities and reinsurance assets (continued)

(xii) Claims development table

The nature of liability classes of business is that claims may take a number of years to settle and before the final liability is known. The table below shows the development of the undiscounted estimate of ultimate net claims cost for these classes across all territories.

Estimate of net ultimate claims

	2015 £000	2016 £000	2017 £000	2018 £000	2019 £000	2020 £000	2021 £000	2022 £000	2023 £000	2024 £000	Total £000
At end of year	42,739	47,402	45,920	44,053	44,230	45,459	47,289	47,599	52,252	51,781	
One year later	40,397	41,631	41,706	37,456	39,842	37,509	47,102	45,575	50,629		
Two years later	37,740	37,740	37,797	32,867	37,243	36,193	45,079	45,547			
Three years later	32,297	36,337	34,818	31,647	39,164	37,579	46,666				
Four years later	28,506	35,217	36,431	32,884	39,248	35,694					
Five years later	27,418	32,993	36,550	31,722	35,836						
Six years later	30,544	33,896	38,618	30,442							
Seven years later	30,296	34,297	37,595								
Eight years later	29,231	33,022									
Nine years later	29,003										
Current estimate of ultimate claims	29,003	33,022	37,595	30,442	35,836	35,694	46,666	45,547	50,629	51,781	396,215
Cumulative payments to date	(23,004)	(25,562)	(26,487)	(19,348)	(24,880)	(17,392)	(15,225)	(9,192)	(5,651)	(1,549)	(168,290)
Outstanding liability	5,999	7,460	11,108	11,094	10,956	18,302	31,441	36,355	44,978	50,232	227,925
Effect of discounting											(40,898)
Present value											187,027
Discounted liability in respect of earlier years											141,365
Total discounted net liability for liability classes											328,392
Total discounted net liability for non-liability classes, expenses and reinsurance debtors											125,912
Total discounted net liability included in provisions in the balance sheet											454,304

VI. Insurance liabilities and reinsurance assets (continued)

(b) Life business insurance provision

(i) Reconciliation of the liability for remaining coverage

Insurance contracts issued

	Estimates of present value of future cash flows £000	Risk adjustment for non-financial risk £000	Contractual service margin £000	Total £000
At 1 January 2023	410	2	44	456
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	-	-
Change in the risk adjustment for non-financial risk for the risk expired	-	20	-	20
Experience adjustments	(30)	-	-	(30)
	(30)	20	-	(10)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Insurance service result	(30)	20	-	(10)
Finance income from insurance contracts issued	-	-	-	-
Net insurance financial result	-	-	-	-
Total amounts recognised in statement of financial activities	(30)	20	-	(10)
Claims and other directly attributable expenses paid	(43)	(20)	2	(61)
Total cash flows	(43)	(20)	2	(61)
At 31 December 2023	337	2	46	385

VI. Insurance liabilities and reinsurance assets (continued)

(b) Life business insurance provision

(i) Reconciliation of the liability for remaining coverage

Insurance contracts issued

	Estimates of present value of future cash flows £000	Risk adjustment for non-financial risk £000	Contractual service margin £000	Total £000
At 1 January 2024	**337**	**2**	**46**	**385**
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	-	-
Change in the risk adjustment for non-financial risk for the risk expired	-	-	-	-
Experience adjustments	**157**	-	-	**157**
	157	-	-	**157**
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	-	-
Insurance service result	**157**	-	-	**157**
Finance income from insurance contracts issued	**(8)**	-	-	**(8)**
Net insurance financial result	(8)	-	-	(8)
Total amounts recognised in statement of financial activities	**149**	-	-	**149**
Claims and other directly attributable expenses paid	**(154)**	**1**	**4**	**(149)**
Total cash flows	**(154)**	**1**	**4**	**(149)**
At 31 December 2024	**332**	**3**	**50**	**385**

(ii) Assumptions

The most significant assumptions in determining life reserves are as follows:

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. Where prudent, an allowance is made for future mortality improvements based on trends identified in population data. For both 2024 and 2023 the base tables used were ELF16F and ELT16M with a 1% improvement applied each year.

Discounting

The nominal discount rate curve is calculated on a bottom up basis. The risk free curve is based on the UK government bond yield curve. A liquidity premium based on the return on a notional index of fixed interest assets, including gilts and corporate bonds, is added to the risk free curve. The liquidity premium is adjusted for credit risk and differences in liquidity between the notional assets and the liabilities.

	2024	2023
Non-Profit Life Business	**3.7% to 6.0%**	3.2% to 5.1%

VI. Insurance liabilities and reinsurance assets (continued)

Funeral plans renewal expense level and inflation

Numbers of policies in force and both projected and actual expenses have been considered when setting the base renewal expense level. The unit renewal expense assumption for in-force business is £18.29 per annum (2023: £14.27 per annum).

Expense and benefit inflation curves are set with reference to GBP inflation swaps of various terms, and using linear interpolation between available swap terms.

Tax

It has been assumed that current tax legislation and rates enacted at 1 January 2025 will continue to apply. All in-force business is classed as protection business and is expected to be taxed on a profits basis.

(iii) Changes in assumptions

Projected investment returns have been revised in line with the changes in the actual yields of the underlying assets. As a result, liabilities have decreased by £2.8m (2023: £0.6m increase).

The assumed future expenses of running the business have been revised based on expenses that are expected to be incurred by the long-term insurance business. The effect on insurance liabilities of the changes to renewal expense assumptions (described above) was a £0.4m increase (2023: £0.5m decrease).

(iv) Sensitivity analysis

The sensitivity of net income/(expenditure) before tax to changes in the key assumptions used to calculate the long-term insurance liabilities is shown in the following table. No account has been taken of any correlation between the assumptions.

	Change in variable	**Potential (decrease)/ increase in the result**	
		2024	2023
Variable		**£000**	£000
Deterioration in mortality	+10%	**(857)**	(820)
Improvement in mortality	-10%	**1,002**	960
Increase in fixed interest/cash yields	+1% pa	**(624)**	(340)
Decrease in fixed interest/cash yields	-1% pa	**771**	360
Worsening of base renewal expense level	+10%	**30**	20
Improvement in base renewal expense level	-10%	**(30)**	(20)
Increase in expense inflation	+1% pa	**68**	50
Decrease in expense inflation	-1% pa	**(54)**	(40)

(v) Maturity analysis

	Within 1 year £000	**Between 1 and 5 years £000**	**After 5 years £000**	**Total £000**
At 31 December 2024				
CSM release after accretion	**6**	**18**	**26**	**50**
At 31 December 2023				
CSM release after accretion	4	13	29	46

51 Reconciliation of Alternative Performance Measures

The Benefact Trust group of companies use gross and net written premiums in addition to the figures prepared in accordance with UKGAAP when presenting the performance of its insurance subsidiary, EIO plc. These measures are commonly used within the insurance industry and we believe it provides useful information and enhances the understanding of the insurance result.

Gross written premium refers to the total premiums written and invoiced by the trading subsidiaries during the reporting period before deducting any outwards reinsurance premiums or adjustments for unearned premiums. It reflects the total premium income generated by the trading subsidiaries underwriting activities.

Users of the accounts should be aware that similarly titled Alternative Performance Measures (APM) reported by other companies may be calculated differently. For that reason, the comparability of APM across companies might be limited.

The tables below provide a reconciliation of the gross written premiums to insurance revenue:

	2024 £000	2023 £000
General Insurance		
Gross written premiums	**640,601**	615,007
Change in the gross unearned premium provision	**(17,406)**	(35,861)
Insurance revenue	**623,195**	579,146
Net written premiums	**379,407**	351,340
Outward reinsurance premiums written	**261,193**	263,667
Change in the gross unearned premium provision	**(17,405)**	(35,861)
Insurance revenue	**623,195**	579,146

2024

		Insurance		Investment return*	Other income and charges	Total
		General £000	Life £000	£000	£000	£000
Insurance revenue	**50**	**623,195**	**(149)**	**734**	**(54)**	**623,726**

2023

		Insurance		Investment return*	Other income and charges	Total
		General £000	Life £000	£000	£000	£000
Insurance revenue	50	579,146	147	832	(3)	580,122

*Instalment handling charges

Reference and administrative details

Board of trustees	Timothy Carroll, BA, MBA, FCII *Chair* Francois Boisseau, Msc, FCA The Revd Canon Sarah Brown, BA Denise Cockrem, MA, FCA Caroline Coombs, BA, MBA Revd Paul Davis, BA Ian Moore, MA, PhD David Paterson, BA Patrick Rudden, MA John Nicholas Sykes, MA (Hons), MBA, FCA
Company Secretary	Mrs Rachael J. Hall FCIS
Registered and Head Office	Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester GL3 4AW
Company Registration Number	1043742
Charity Registration Number	263960
Independent Auditors	PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH
Bankers	National Westminster Bank plc, 21 Eastgate Street, Gloucester GL1 1NH
Legal advisors	Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH Veale Wasbrough Vizards LLP Narrow Quay House, Narrow Quay Bristol BS1 4QA
Investment Managers	EdenTree Asset Management Limited, 24 Monument Street, London, EC3R 8AJ Rathbones Investment Management Limited, 8 Finsbury Circus, London, EC2M 7A2

BENEFACT TRUST

Company registration number 1043742

Charity registration number 263960