BENEFACT TRUST

2025 Annual Report & Accounts

Your voice is shaping our future

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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. Throughout 2025, our charitable programmes focused on areas of urgent need and where our support can enable meaningful, lasting change. This included efforts to reduce homelessness, continued investment in heritage skills, and an ongoing commitment to climate action.

The 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-making.

Welcome from the Chair and Trust Director

Your voice is shaping our future

2025 was a landmark year for the Trust, shaped by the resilience and dedication of the churches, charities and communities we serve. Not only did we reach a new record in grant-making, we also took significant steps to deepen our understanding of the communities we support at a time when many churches and charities were navigating rising costs, growing need, and increasing pressures on volunteers and resources. Nearly 500 churches, cathedrals and Christian charities generously shared their experiences and insights with us. Their feedback is already shaping our thinking, and in 2026 we will publish a dedicated report to ensure this learning is shared openly and transparently.

Growing our grant making

In 2025, the Trust awarded £26.7 million in grants, an increase of £1.2 million from 2024. This growth reflects the Trust's ambitions to significantly increase its support for churches and Christian charities, growth made possible by donations from BG plc's available profits and the commitment of over 2,300 colleagues across the UK, Ireland, Australia and Canada. We were also grateful to receive a £2.3 million donation from Methodist Insurance PLC, whose generosity enabled us to reach even more churches and communities at a time of significant need as part of our Methodist Grants Programme.

Across the year, the Trust awarded more than 1,300 grants. While the total number of grants was marginally lower than 2024, the average grant size increased, enabling us to deliver deeper, more targeted support where it was needed most.

Driving meaningful impact

Homelessness remained a major focus in 2025, with more than £2.9 million awarded to tackle one of the UK's most urgent social challenges. This included a £1.1 million grant to The Salvation Army to create 54 flexible, supported accommodation units for people who fall outside statutory support. We also awarded three grants totalling £670,000 in support of locally-led partnerships piloting preventative approaches to tackling homelessness in England and Northern Ireland. These grants to the East Belfast Mission (£196,000), Faithworks (£224,000) and the Church of England's Archbishop's Council (£250,000) will provide homes, employment opportunities and long-term stability for people at risk while showcasing the important work undertaken by the faith sector to help prevent homelessness.

We deepened our commitment to heritage skills through an innovative partnership with the Cathedrals' Workshop Fellowship. A multiyear grant of £2.1 million (awarded across 2024 and 2025) launched the Benefact Trust Scholars Programme, supporting 36 students across 15 cathedrals to develop traditional craft skills, from stained-glass conservation to stonemasonry, helping safeguard the UK's ecclesiastical heritage and nurture the next generation of heritage talent.

The Trust's commitment to climate action remains a priority. A £200,000 grant to the Church of Ireland will help parishes and dioceses access sustainable technologies that can significantly reduce their carbon footprint.

Through our 2025 Community Impact Grants, we are expecting to support an estimated 1.5 million people of all faiths and none, including families in crisis, people experiencing homelessness, and individuals facing mental health challenges.

We also supported over 700 churches and cathedrals with conservation work and improvements to make their buildings more accessible and welcoming for wider community use. In recognition of the additional challenges faced by listed places

of worship, following changes to the Listed Places of Worship grant scheme announced in January, the Trust increased its funding for building improvements by almost 50% with £4.4 million, compared with 2024.

Beyond the UK and Ireland

Our international grant-making continued, with £886,000 awarded in the Republic of Ireland and further support delivered through devolved programmes in Canada (C$2.0 million) and Australia (AUD319,000).

We continued to respond to crises across the world. £750,000 was awarded through our Crisis Response programme, including £100,000 to World Vision for humanitarian relief in Sudan and £150,000 to the British Red Cross following the devastating 7.7 magnitude earthquake in Myanmar.

Strengthening our operations

2025 was a year of major operational progress. We launched a new, user-centred website in January and transitioned to a new grant management system in May. Together, these developments have transformed our internal processes and strengthened our ability to support a growing number of applicants.

Our team also evolved. We welcomed our first Grants Officer for Ireland, Heather Pope, and celebrated two internal promotions. These changes create new capacity to focus on underrepresented denominations and geographies in 2026. We also said a fond farewell to our long-standing Grants Administrator, Iain Hearn, who retired after an extraordinary 45 years of exemplary service.

Benefact Group performance

Benefact Group (BG), operating across Specialist Insurance, Asset Management and Broking & Advisory, continued to demonstrate both financial strength and deep charitable commitment. BG reported a profit before tax of £77.1m[1], maintaining its position as the UK's third-largest corporate donor over the past decade. The results were driven by an excellent performance in the Specialist Insurance division, which benefitted from benign weather claims in the UK, new business wins and rate strengthening. Challenging markets impacted the Asset Management division, though it remained resilient. The Broking and Advisory division continued to grow, supported by both organic and inorganic expansion.

Expendable Endowment Fund

We were grateful to receive £3.0 million from the EEF, a linked charity for which the Trust is sole trustee. The EEF delivered another strong investment performance, ending the year at £122.2 million and providing valuable support for our grant-making.

Trustee developments

In March we were delighted to welcome The Revd Canon Sarah Brown, Dean of Hereford Cathedral, to the Board of Trustees. Dean Sarah brings deep insight and passion into the opportunities and challenges facing our beneficiaries.

Looking ahead

As we look to the year ahead, we will continue to evolve our grant programmes in direct response to the feedback gathered in 2025. We will also begin shaping the Trust's next strategic chapter (2027–2030), ensuring we remain responsive to the evolving needs of churches, charities and communities, ready to embrace new opportunities. Other priorities include diversifying our grant-making to broaden our geographic and denominational reach and proactively seeking new strategic partnerships.

The Trust also looks forward to playing an active role in the Christian Funders' Forum, following the appointment of Helen Gray as the new Chair in December. The Forum, a collaborative network of Christian grant-making organisations, collectively distributes £80.0 million[2] each year to Christian ministries, charities and community

[1] 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).

[2] About CFF - Christian Funders Forum

initiatives. Together the Forum increases the effectiveness of grant making by sharing best practice and co-funding initiatives.

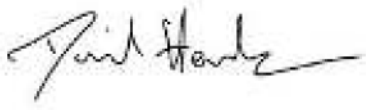
Farewell and welcome

After nine years of dedicated service, Tim Carroll stepped down as Chair on 31 December 2025. Tim has led and inspired the Trust during his tenure. He expanded the reach and impact of the Trust, oversaw the successful rebrand from Allchurches Trust to Benefact Trust, and strengthened our governance and operations. We are deeply grateful for his commitment and leadership.

David Henderson is delighted to join the Trust as chair from 1 January 2026. David brings a wealth of experience, having served as Chair of BG plc for the past five years. David's strong leadership and vision will help take the Trust into its next chapter.

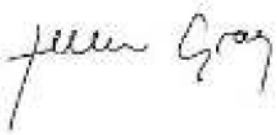
Thank you

Finally, a sincere thank you to everyone who makes the work of the Trust possible. BG plc colleagues, the Trust team, our committed trustees, and, above all, our remarkable beneficiaries. The impact achieved in 2025 is a testament to this collective effort, and we remain deeply grateful.



David Henderson
Benefact Trust Chair

7 May 2026



Helen Gray
Benefact Trust Director

7 May 2026

Strategic Report

Our vision, mission and values

Our Board of Trustees sets the strategic direction of the 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, the Trust conducted a comprehensive strategic review to shape its 2024-2026 Strategy and Business Plan. This plan was reviewed and updated in November 2025 to incorporate recent developments and areas of focus for 2026.

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. A strategic grants review was undertaken in 2025, informed by an extensive beneficiary research project which included a survey of almost 500 beneficiaries. As a result of this review programme beneficiary centred changes will be implemented in 2026.

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 BG plc 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 2026

In 2026, the key initiatives that will be prioritised are:

Strategic goal	Strategic initiatives
 Growth in grant-making	• **Beneficiary-centric grant-making:** Implement the recommendations of the strategic grants review and promote to beneficiaries. • **Geographic diversification**: Balance grant investment geographically to address areas of underinvestment. • **Denominational diversification**: Review grant investment by denomination and increase grant-making across underrepresented and higher growth Christian denominations. • **Strategic partnerships:** Develop new strategic partnerships and refine areas of focus.
 Measuring and communicating our impact	• **Amplify impact:** Increase public understanding of the impact the Trust enables in its key areas of grant-making, including addressing social needs, supporting vulnerable communities, and fostering community cohesion. • **Impact investing/social investment:** Review EEF investments and, if applicable, any actions impacting social investment will be taken forward.
 Profile raising	• **Funder plus:** Driven by beneficiary insight, develop value adding 'funder plus' content and opportunities to support Christian places of worship and charities. • **Transparency:** Publish an impact report, beneficiary survey results and grant-making data on 360 Giving, an online platform for sharing grant-making data, to increase transparency and accountability. • **Visibility:** Proactively engage with Christian places of worship and charities and related networks to raise awareness of the Trust's mission and values, focussing on geographic/denominational areas of priority through Search Engine Optimisation (SEO), website, and social media channels. • **Positioning:** Position the Trust as a leading Christian funder that is responsive to the needs of its beneficiaries and communities.
 Building operational resilience	• **Governance:** Action the results of the 2025 Governance Review, implement any relevant updates required by the revised 2026 Charity SORP, and review and implement (where appropriate) the recommendations of the 2025 Charity Governance Code. • **Artificial intelligence (AI)**: Consider the potential application of AI to aid productivity and efficiency and to support beneficiaries. • **Strategy:** Develop the Trust's 2027-2030 strategic plan in consultation with Trustees, the team and other internal and external stakeholders.

Our achievements in 2025

We made significant progress in meeting the objectives we had set for 2025, as summarised below:

Growing grant-making	
Expand the Trust's Strategic Partnership Grant programme	The Trust focussed on three strategic areas; the development of heritage skills, net zero and homelessness. This resulted in an additional grant of £1.6 million to the Cathedrals Workshop Fellowship (to support 36 heritage skills apprentices), and other major grants including £200,000 to the Church in Ireland (to support net zero initiatives), £1.1 million to the Salvation Army (to develop 54 housing units) and a total of £670,000 in three grants to East Belfast Mission, Faithworks and the Church of England's Archbishop's Council for three pilot projects seeking to address the root causes of homelessness.
Address the balance of funding per Christian capita by country	The Trust continued to raise its profile in the Republic of Ireland. This included hosting our first webinar targeted at Irish churches and charities and the appointment of the Trust's first Grants Officer for Ireland. Capacity was also created in the grants team to develop further funding opportunities in Scotland.
Develop a comprehensive beneficiary survey	Working in conjunction with a research consultant a comprehensive beneficiary research project was undertaken. This included a survey of almost 500 beneficiaries, a focus group and targeted telephone interviews. The results were used to inform the strategic grants review and to ensure the Trust continues to adopt a beneficiary centred approach to its grant-making and communications. A report of the results will be published in 2026.
Undertake a strategic grants review	Following a series of team and Board workshops, together with results from the beneficiary survey, the results and recommendations of the 2025 strategic grants review were approved by the Board in December. The recommendations will be implemented from quarter two of 2026.
Demonstrating and enabling greater impact	
Develop the Trust's impact framework and reporting methodology	This work was deferred to 2026 to ensure any changes to impact reporting reflected the implementation of the recommendations of the strategic grants review.

Profile raising	
Grow the Trust's social media presence	The Trust experienced follower growth and increased engagement across all channels during 2025. The launch of its first Instagram account enabled the Trust to reach new audiences, while its YouTube channel also saw increasing engagement, with several videos achieving views in excess of 1,500.
Enhance the Trust's online presence	Following the launch of a new Trust website in January, all SEO metrics improved. The Trust's website Google accessibility score increased to 100%. SEO techniques were applied across all marketing communication channels, raising the Trust's profile further.
Build the Trust's external profile	Seven podcasts were produced in 2025 covering a range of topics from the future of heritage craft to debt advice. Podcasts enabled the Trust to establish an active YouTube channel.
Develop Christian sector networks	In addition to the appointment of a Grants Officer for Ireland the team remained active in meeting denominational representatives helping ensure the Trust remained abreast of key developments and denominational strategic priorities.
Build brand awareness	The Trust continued to work closely with Methodist Insurance PLC, BG plc's Marketing team and the subsidiaries of BG plc.
Building operational resilience	
Maintain good governance	VWV completed a comprehensive external governance review. A report was presented to the Board in the first quarter of 2026 and overall the report concluded that the governance of the Trust remained strong.
Launch new grant management system	The Trust moved to a new, modern grant management system in May 2025. The implementation of 'AIMS' has enhanced the applicant experience and created multiple operational efficiencies which included the streamlining of grant payments.
Appraisal of investments	
Undertake an informed and objective review of the rate of return achieved	A consultant was engaged to undertake a review of the adequacy of the return from BG plc. This resulted in the production of a comprehensive report providing confirmation of the current position.
Consider appropriateness of impact investing/social investment	Social Investment Training was undertaken by the Board in September 2025 and in April 2026.

Our grant-giving

The Trust's principal source of income derives from its ownership of BG plc. 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 £24.0 million from BG plc during the year. Our financial support to churches and other charitable institutions increased to £26.7 million (2024: £25.5 million) 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. 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 grants programmes

In 2025, the Trust distributed its funds through the following grants programmes:

Community Impact Grants provides wider community support, addressing social challenges and supporting Christian communities to flourish.

Building Improvement 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.

Strategic Partnerships addresses issues of key significance for the Christian church and charity sectors. Key priorities for 2025 included homelessness, net zero and heritage skills.

Crisis Response Grants 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, Sudan, Myanmar, Bangladesh and Afghanistan.

Recurrent Grants awards annual grants to dioceses and cathedrals.

Total grants awarded by programme	£m
Community Impact Grants	10.2
Recurrent Grants	5.3
Building Improvement Grants	4.4
Strategic Partnerships	3.5
Methodist Grants	2.4
Crisis Response Grants	0.8
Other Grants	0.1
Total	26.7

Our focus and impact

Challenges faced by our beneficiaries

Our beneficiaries continued to face a range of challenges in 2025. The beneficiary survey undertaken by the Trust in 2025 indicated that financial sustainability and fundraising were the top challenges for charities.

National Council for Voluntary Organisations[3] described 2025 as 'the year of the big squeeze' reflecting the ongoing unpredictable and challenging times experienced by the charity sector. A combination of funding cuts, increasing operational costs and growth in demand once again placed beneficiaries under greater pressure.

Similarly, churches reported financial concerns alongside the challenges of maintaining their buildings, reflecting increasing pressure on sources of funding for church repairs and improvements. Many Christian denominations also struggled with declining church attendance and recruiting and retaining volunteers.

Uncertainty surrounding the future of the Listed Places of Worship Grant Scheme, along with changes announced in January 2025, created challenges for listed places of worship undertaking major capital works or planning new projects. The introduction of a new £25,000 cap forced some beneficiaries to reduce the scope of their projects while other places of worship had to continue fundraising to bridge the newly created funding shortfall.

Our focus

In response to these challenges, we strengthened our commitment to supporting social needs and building improvement costs, awarding over £10.2 million through Community Impact Grants and £4.4 million in Building Improvement Grants. Together with our other grant programmes, the Trust awarded 1,388 grants totalling £26.7 million overall. We also expanded our Strategic Partnerships programme, providing support at a strategic level to address issues of key significance for the Christian church and charity sectors, including net zero, heritage skills and homelessness.

Strategic partnerships:

In 2025 we expanded the focus of our Strategic Partnerships programme. Building upon the programme's initial net zero focus in 2024, a £200,000 net zero grant was awarded to the Representative Body of the Church of Ireland for a carbon reduction grants programme. We also awarded £1.6 million to the Cathedrals' Workshop Fellowship for a strategic programme of heritage skills training across its network of cathedrals in England. This is a significant multi-year commitment, which in combination with funding provided by the Trust in 2024, is providing transformative investment over a period of five years.

The Trust also awarded two strategic grants to help tackle and prevent homelessness. This included £1.1 million to the Salvation Army for a UK and Ireland-wide programme that will pilot self-delivered accommodation and wrap-around services for people who fall outside statutory homelessness support. In addition, the Trust awarded a total of £670,000 to three locally-led partnership projects (led by East Belfast Mission, Faithworks and the Church of England's Archbishop's Council) aiming to address the root causes of homelessness.

Community impact:

Reflecting the growing pressures on communities, the most common focus of our 2025 Community Impact Grants was addressing the social challenges. Our grants supported organisations working to address a wide range of social issues, such as the cost of living and food poverty, housing and homelessness, addiction and substance misuse, and mental health and wellbeing. Many of our Community Impact Grants also supported the growth of Christian congregations and communities through projects focusing on evangelism, faith development and establishing new worshipping communities.

[3] 2025: The year of the 'big squeeze' - The Road Ahead 2025 | News index | NCVO

Building improvements:

To help address the lack of funding for capital improvements, including the recent reduction in tax relief for listed places of worship, we increased our funding for Building Improvement Grants by nearly 50% (from £3.0 million in 2024 to £4.4 million in 2025). Our commitment to community projects and heritage preservation was evident, with over 700 grants awarded to keep church and cathedral buildings in good repair, preserve heritage features, enhance accessibility, and improve operational sustainability.

Crisis response:

Our Crisis Response Grants provided £750,000 to help respond to humanitarian crises across the world. This included £300,000 to the British Red Cross for its ongoing work in Gaza and Myanmar, £150,000 to Médecins Sans Frontières for its Hepatitis C Test & Treat campaign in the Rohingya refugee camps in Bangladesh and £100,000 to World Vision UK to help alleviate suffering in Sudan. We also awarded £125,000 to Christian Aid to provide relief in Afghanistan following an earthquake in August, and £75,000 was given to the Friends of the Holy Land for its work to support Christians in Gaza.

Devolved grant-giving:

Our international impact was extended through devolved grant-giving with grants awarded by Ecclesiastical Canada and Ansvar Australia totalling C$2.0 million and AUD319,000 respectively. These grants supported environmental conservation, food security, and welfare initiatives, reaching vulnerable youth and families.

Impact in numbers: key statistics from 2025

Grants awarded totalled £26.7 million (a 5% increase on 2024) signifying our ongoing commitment to meeting growing demand for our funding.

Of this, £10.2 million in 444 grants was awarded for Community Impact Grants, including over 360 grants addressing social issues.

Over £3.5 million was awarded in strategic grants demonstrating our commitment to supporting our beneficiaries to address key social issues, preserve ecclesiastical heritage and respond to the climate crisis.

More than 750 Building Improvement Grants awarded totalling just over £4.4 million 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 £2.4 million in grants for projects taking place in 16 Methodist districts.

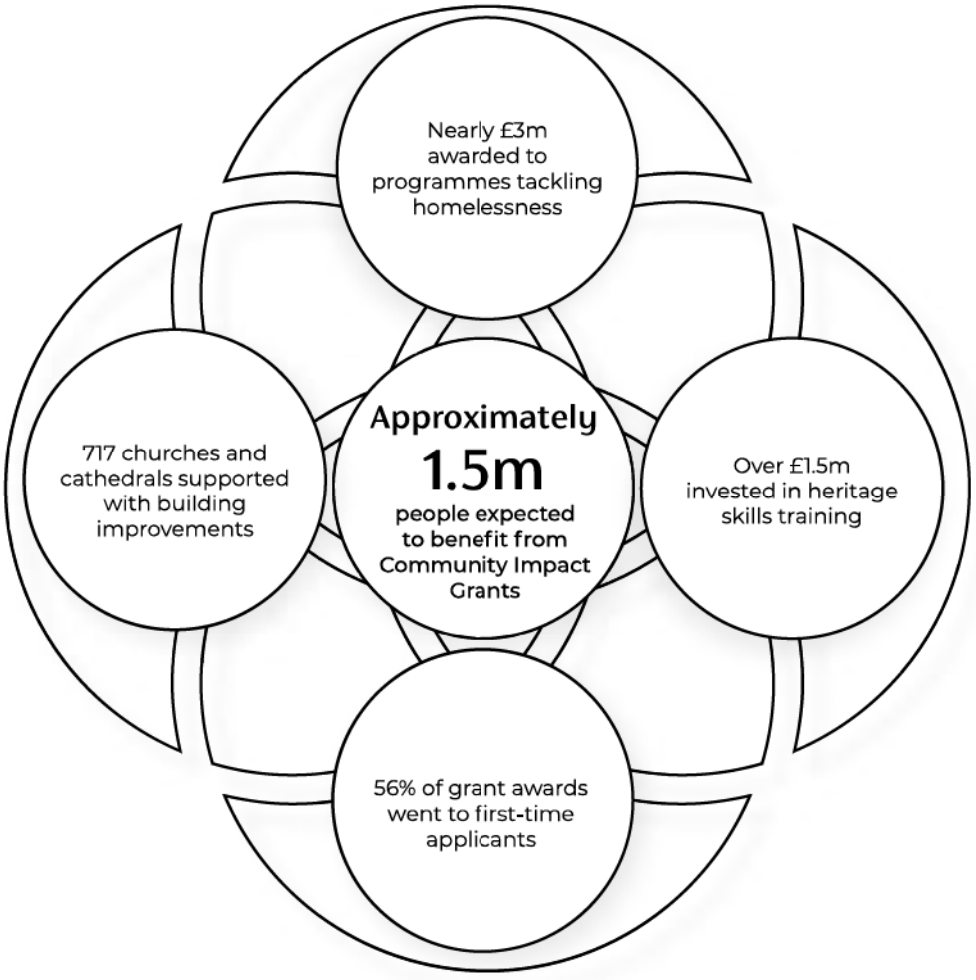
As we reflect on 2025, it is evident that our strategic focus and grant programmes have not only helped to address the evolving needs of our beneficiaries but have also made a tangible and impactful difference to the lives of individuals and communities.

2025 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 approximately 1,400 grants totalling £26.7 million





£2.5 Million in deprivation uplifts

Supporting deprived communities

The Trust aims to ensure that its funds go to areas where they are needed most. In 2025, an additional £2.5 million 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 impact of the projects the Trust has supported in 2025.

Community Impact Grants

Kahalia - BREW - £100,000

Supporting vulnerable people with tailored training, mentorship, and pathways into employment.

Community Impact Grants

Made For More NI - £12,000

Empowering tens of thousands of young people across Northern Ireland to navigate mental-health challenges.

Community Impact Grants

Derby City Mission - £34,000

Expanding vital homelessness services in Derby, helping more people find safety, support, and a path toward rebuilding their lives.

Community Impact Grants

The 180 Project - £65,000

Reducing the risk of reoffending by enabling men to rebuild their lives through mentorship, purpose, and a path to lasting recovery.

Building Improvement Grants

Holy Trinity Hastings - £100,000

Safeguarding heritage and strengthening the church's role as a vital community hub in one of East Sussex's most deprived communities.

Building Improvement Grants

St Andrew's Wallace Green and Lowich Church - £48,000

Transforming a historic church into a warm, flexible, and inclusive space for worship, creativity, and community connection.

Impact of our giving

Stories that highlight the impact of the projects the Trust has supported in 2025.

Methodist Grants

Wesley Methodist Church - £80,000

Making Wesley Church a warmer, more energy-efficient home for creative programmes, community events, and meaningful connections.

Methodist Grants

Withernsea Methodist Church - £24,350

Enabling energy-saving upgrades to transform this vital community hub into a warmer, more sustainable lifeline for its deprived town.

Strategic Partnerships

The Salvation Army - £1,070,000

Providing supported accommodation, trauma-informed care, life skills, and a pathway to independence for vulnerable people.

Strategic Partnerships

East Belfast Mission, Faithworks & the Church of England's Archbishop's Council - £670,000

To provide homes, jobs, and lasting stability for hundreds of people.

Crisis Response

Médecins Sans Frontières - £150,000

Supporting the Hepatitis Test & Treat Campaign for Rohingyan Refugees in Bangladesh.

Crisis Response

World Vision - £100,000

Supporting humanitarian aid relief in Sudan, a country facing mass famine and displacement.

Measuring the success of our grant programmes

We measure the success of our grant 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 2025 impact survey results, indicating that all programme level KPIs were achieved in 2025. The overall survey response rate in 2025 was 73%.

1. Grant-giving

KPI	Target	Result
% of grant applications up to £10k processed within 2 months[1]	At least 90%	84%[2]
% of grant applications over £10k and up to £150k processed within 4 months[1]	At least 90%	100%
% of grant applications over £150k processed within 6 months[1]	At least 90%	100%
% of applications received in the year that were successful	At least 85%	94%
% of beneficiaries reporting that they find the current programmes suitable for their organisation[1]	At least 75% of respondents	97%
% of beneficiaries reporting that their experience working with the Benefact Trust team was good or excellent[1]	At least 80% of respondents	98%

[1] Results reflect open programmes only (Community Impact, Building Improvement and Methodist Grants)
[2] Underperformance against target has been driven by initial challenges encountered during the roll out of the new grant management system

2. Grant programmes

Grant programme	KPI	Target	Result
Community Impact Grants	% of respondents 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	91%

Grant programme	KPI	Target	Result
Community Impact Grants	% of respondents 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	91%
Building Improvement Grants	% of respondents 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 respondents 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	97%

2025 grant-giving data

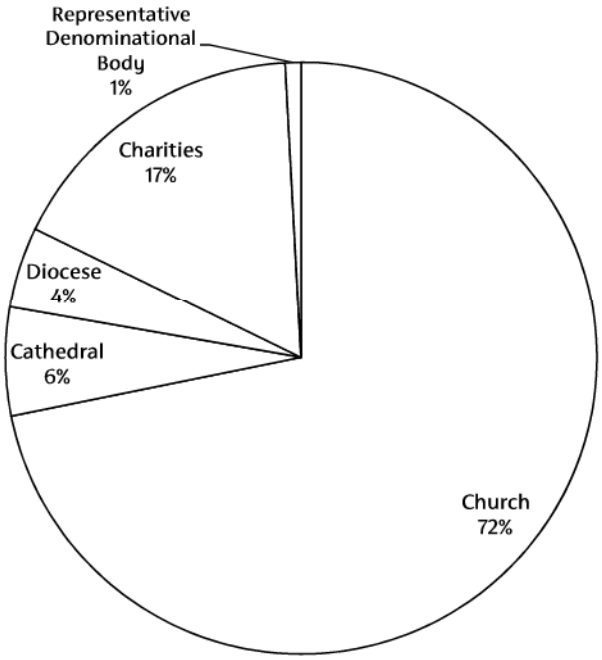
The distribution of grants by organisational type, denomination and geographical location, which are shown in the following charts, is largely determined by the Trust's objects and the pattern of applications received by the Trust.

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.

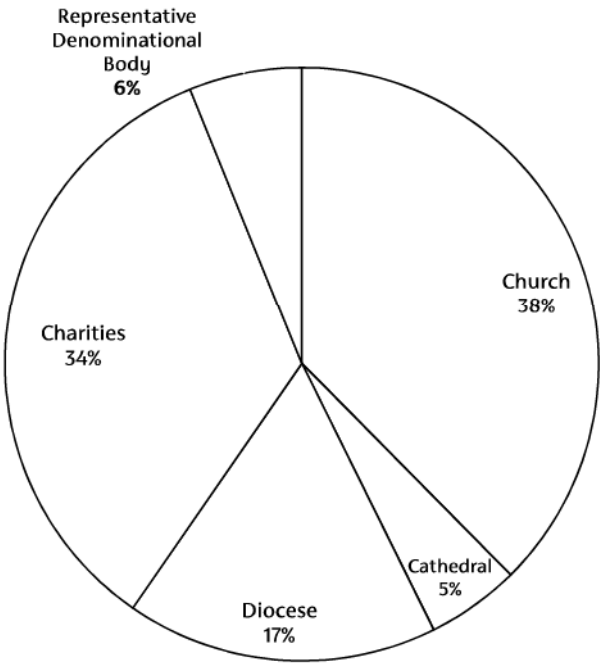
Churches received the largest proportion of funding this year (38%), followed by charities (34%). Churches also received the largest number of individual grants (72%). These statistics reflect the fact that churches and Christian charities are the main beneficiaries of the Trust's two main programmes, Building Improvements 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 (55%). 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 15% 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.

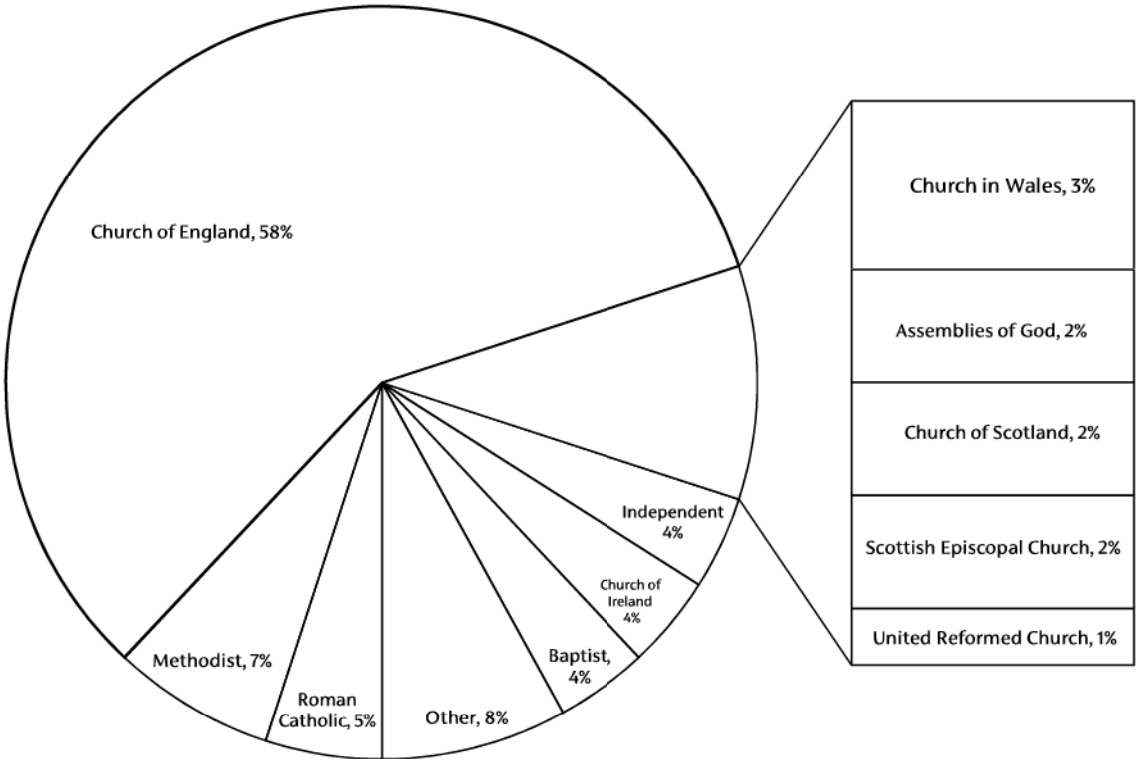
Number of Grants Given by Organisation Type



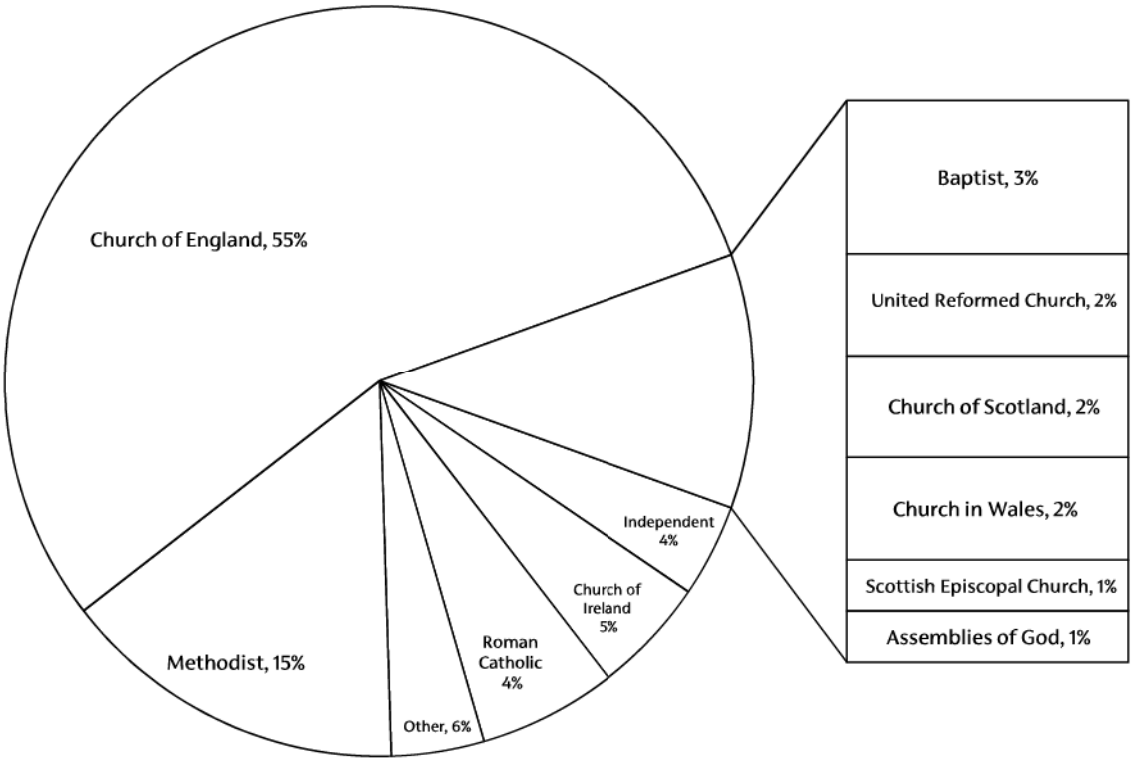
Value of Grants Given by Organisation Type



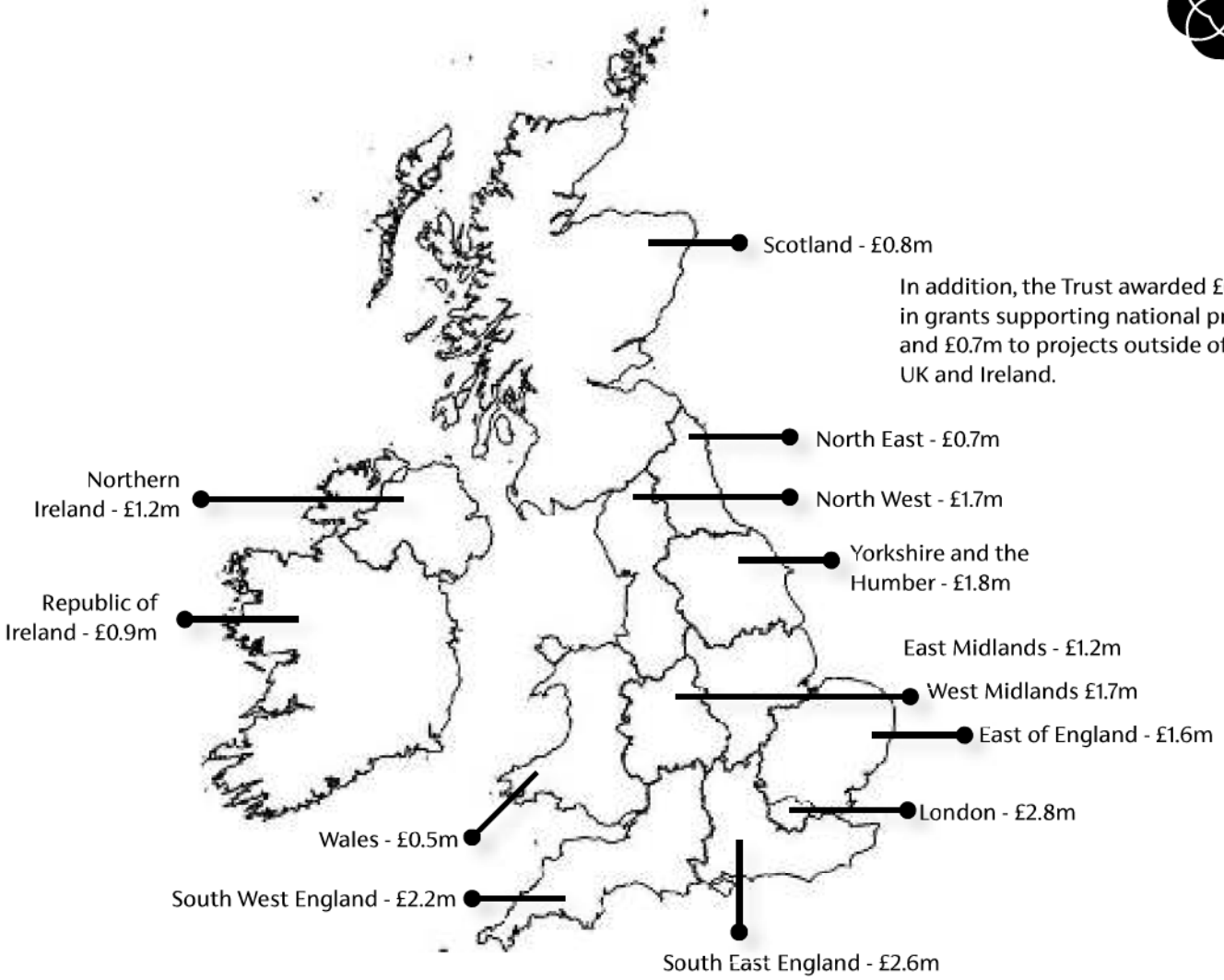
Number of Grants Given By Denomination



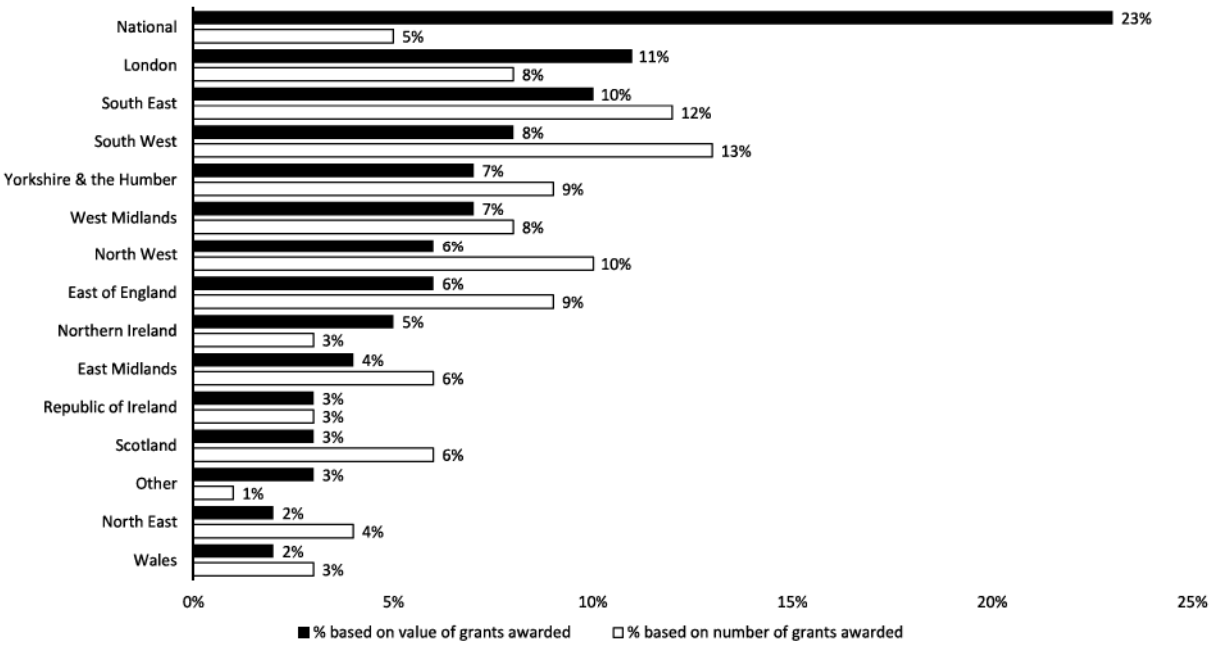
Value of Grants Given By Denomination



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 58.

Our total net income in the year was £5.0 million (2024: net income £21.4 million).

	2025			2024		
	Unrestricted funds £000	Endowment funds £000	Total funds £000	Unrestricted funds £000	Endowment funds £000	Total funds £000
Total income	27,674	2,620	30,294	56,410	2,586	58,996
Total expenditure	(28,630)	(421)	(29,051)	(27,072)	(427)	(27,499)
Net gains on investments	-	3,930	3,930	-	10,001	10,001
Taxation	-	(141)	(141)	-	(141)	(141)
Net (expenditure)/income in the year	(956)	5,984	5,028	29,338	12,019	41,357
Transfers between funds						
Gross transfers to the unrestricted fund	2,995	(2,995)	-	9,904	(9,904)	-
Net movement in funds	2,039	2,989	5,028	19,242	2,115	21,357

The unrestricted fund reported net expenditure of £1.0 million in the year (2024: £9.3 million net income), primarily due to a £8.7 million decrease in income received. Net charitable giving increased to £26.6 million (2024: £25.4 million).

Net gains on investments of £3.9 million (2024: net gains of £10.0 million) supported the EEF's performance, contributing to net income in the year of £6.0 million (2024: £12.0 million net income). During the year, the EEF donated £3.0 million (2024: £9.9 million) to the unrestricted fund to support its charitable activities.

Income

Total income fell to £30.3 million in 2025 (2024: £39.0 million), largely due to a £9.0 million decrease in the donation from BG, which reduced to £24.0 million (2024: £33.0 million). The 2024 donation was unusually high as it included a final payment made in 2024 but determined in respect of EIO plc's 2023 profits.

Expenditure

Net charitable giving of £26.6 million (2024: £25.4 million) includes £10.2 million awarded through our Community Impact Grants programme, £5.3 million through our Recurrent Grants programmes, £4.4 million through our Building Improvement Grants programme, and £3.5 million through our Strategic Partnership Grants programme.

Operating expenses, excluding the costs of raising funds, increased to £2.0 million in the year (2024: £1.7 million), reflecting continued investment in the Trust's operations and governance. This included the appointment of the Trust's first Grants Officer for Ireland, to support the Trust's ambition to increase grant-making in the Republic of Ireland, investment in a new grant management system, and expenditure incurred in connection

with a strategic review of the EEF. We aim to keep operating expenses below 7.5% of total charitable giving and have achieved this as follows:

Target	2025	2024	2023
< 7.5%	7.5%	6.7%	6.6%

Funds

Total funds at 31 December 2025 increased to £150.2 million (2024: £145.1 million) consisting of £28.0 million in the unrestricted fund (2024: £25.9 million) and £122.2m (2024: £119.2 million) 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

Purpose of reserves

The Trust holds reserves to ensure it can meet its grant commitments, respond flexibly to emerging needs and maintain continuity of charitable-giving during periods of income volatility. The Trust's primary source of income is the donations it receives from BG, whose contributions can fluctuate with insurance and investment markets. Maintaining adequate reserves is therefore essential to supporting the Trust's long-term strategic objectives. The reserves policy is designed to mitigate the potential income volatility and address the concentration of charitable expenditure in the latter half of each year.

Definition of reserves

For the purposes of the reserves policy, reserves are defined as liquid assets held in the general and designated unrestricted funds, net of committed but unpaid grants. Liquid assets are investments or cash and cash equivalents that can be converted into cash within a short timeframe, typically within three months, without significant loss of value.

Setting the reserves policy

In determining the appropriate level of reserves, the trustees considered:

- the potential variability of income arising from charitable giving risk (as described in the Principal risks and Uncertainties section),
- the timing of grant commitments, including recurrent grants to diocese and cathedrals,
- the strategic need to ensure continuity and stability in the Trust's grant-giving,
- the Trust's ability to control expenditure, particularly through the timing and approval of grant commitments; and
- the ability to access additional funding from the EEF, providing further financial flexibility.

Based on these factors, the trustees have determined that reserves should be maintained at a level sufficient to cover six months of forecast cash outflows.

Reserves position at year end

Target reserves at 31 December 2025 were £14.9 million.

At 31 December 2025, the Trust held £28.0 million of reserves. Although reserves at year-end exceed the target level, the variance is expected and arises primarily from the £16.0 million donation from EIO plc in December. In line with the Trust's financial model, donations received in the year are used to fund the subsequent year's grant-giving, resulting in a temporarily higher year-end reserves position.

The excess reserves at 31 December 2025 will therefore be applied during 2026 to meet planned grant expenditure. Accordingly, the trustees do not view any corrective action as being necessary.

Trading subsidiaries

The consolidated statement of financial activities is shown on page 72.

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 £57.0 million[4] (2024: net income of £60.2 million[4]). Performance in the current year benefitted from the exceptional performance of the insurance division and strong fair value gains as most asset classes performed well in more positive market conditions.

The general insurance business reported profit before tax of £62.2 million[4], (2024: £47.6 million[4] profit). Performance benefitted from particularly benign weather claims in the UK and a more stable claims environment, although Storm Eowyn in Ireland and weather events in Canada have had an impact here. The trading subsidiaries life business reported a loss before tax of £0.7 million[4] (2024: £1.6 million[4] loss).

The Broking and Advisory division reported a loss before tax of £8.1 million[4], (2024: £6.6 million loss[4], excluding a £5.2 million profit arising from L&W's disposal of its financial planning arm). Performance of the division continues to be impacted by the amortisation of goodwill as a result of acquisitions made since 2023.

The trading subsidiaries' Asset Management division reported a loss before tax of £7.2 million[4] (2024: £4.9 million[4] loss) driven by a reduction in assets under management. Conditions in investment markets remained challenging, and investors maintained their preference for passive funds.

Details of the key performance indicators for BG 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 147, and are provided to members of the Trust.

During the year, the trading subsidiaries directly distributed £4.3 million (2024: £3.7 million) for charitable purposes.

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

[4] 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 74. At the year-end date, total net assets of the Benefact Trust group of companies including minority interests were £820.7 million (2024: £801.4 million).

The net assets of the Benefact Trust group of companies includes a recognisable net pension asset of £18.7 million (2024: £17.6 million). 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 £12.0 million in the year driven by an increase driven by the return on plan assets. This was partly offset by a £10.9 million increase in the asset restriction, resulting in the recognisable surplus in the schemes increasing by £1.2 million. 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 influencing the future financial position and performance of the Trust continues to be the results of its trading subsidiaries, which remain the primary donor and source of funding for its charitable activities.

The Benefact Trust group of companies is exposed to fluctuations in financial markets, either directly through the EEF or indirectly via its trading subsidiaries. In 2025, investment markets were shaped by easing inflationary pressures alongside elevated global uncertainty; however, despite ongoing geopolitical tensions and shifts in US tariff policy, markets ultimately stabilised over the year. Against this backdrop, the Benefact Trust group remains focused on sustainable growth, underpinned by the resilience of its businesses and the strength of its established strategies.

More details of the principal risks and uncertainties to which the Trust is exposed, and how these are managed, are set out in the Principal Risks and Uncertainties section of this report.

Investments

The Trust is the ultimate parent undertaking of BG plc, 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 BG. The Board regularly discusses the rate of return it expects on its investment with BG plc 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) established a separate EEF Investment Committee in 2024, chaired by Nick Sykes. The Trust continues to have its own Finance and Investment Committee, chaired by Patrick Rudden which focuses on financial matters and the Trust's investment in BG plc.

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 £25.0m plus three years of forecast grant making. In 2025, the Trust (as the EEF's sole trustee) confirmed that this target size remained appropriate.

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. In 2025, Lane, Clark and Peacock LLP (LCP) were appointed to provide expert investment advice to the EEF Investment Committee.

The EEF Investment Committee, with its investment adviser, keep the performance of the investment portfolio under review. EdenTree and Rathbones report regularly to the EEF Investment Committee.

Investment policy

The EEF Investment Committee regularly reviews the appropriateness of the investment strategy, including its ethical 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. During 2025, LCP undertook a comprehensive review of the Investment Strategy for the EEF considering options for a revised Investment Policy. The recommended changes to the Investment Policy were further considered by the Corporate Trustee of the EEF in March 2026 and were agreed, with implementation planned for 2026.

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 environmental, social and governance 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 £122.2 million at 31 December 2025 (2024: £119.2 million), driven by positive investment performance during the year.

The EEF generated £2.5 million of dividend and interest income (2024: £2.6 million), all of which was donated to the Trust on a quarterly basis, alongside an additional £0.5 million donation made in November.

Investment markets strengthened in 2025, supporting the EEF's growth as conditions improved following periods of earlier volatility. Robust returns were fuelled largely by global equities and increased investor confidence in AI. Although geopolitical tensions, shifts in U.S. tariff policies and the backlash against ESG investing created intermittent challenges, these were outweighed by the strong performance of major technology stocks. With central banks beginning to ease interest rates and corporate balance sheets remaining resilient, markets ended the year at all time highs, prompting renewed concerns around stretched valuations, particularly among large-cap technology companies that again delivered exceptional performance.

At the year end, the portfolio managed by EdenTree stood at £85.7 million (2024: £82.9 million), of which £54.6 million (2024: £52.7 million) was in a discretionary portfolio and £31.1 million (2024: £30.2 million) in EdenTree's open-ended investment company (OEIC) funds. During the year, the EdenTree discretionary portfolio delivered a return of +6.6% pa versus the composite benchmark's return of +13.9% pa. 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 £36.5 million (2024: £36.3 million). The Rathbones portfolio delivered a return of +1.7% pa over the year versus the composite benchmarks return of +14.7% pa. The Rathbones portfolio has also underperformed the benchmark over 3 and 5 years. As Rathbones commenced managing the EEF investments in 2018, benchmarking of its performance over 10 years is not applicable.

The underperformance for both portfolios relative to their composite benchmarks is primarily a function of the investment managers' preference for investing in a diversified basket of fairly valued, quality companies with a track record of durable earnings and good sustainability credentials, whereas the market has been rewarding a narrow segment of relatively expensive, high growth technology and AI-related companies. The investment managers expect this performance gap to close when the market broadens out to reflect the fair value of the quality companies they prefer to hold.

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. The Trust's energy and carbon data is also not included in the table below as the low energy user exemption applies.

	2025				2024			
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	67	31	98		116	15	131	
Scope 2: electricity and cooling in premises (location based)[1]	505	190	695		591	149	740	
Scope 2: electricity and cooling in premises (market based)[2]	181	189	370		109	146	255	
Scope 3: business travel[3], waste, water use	624	177	801		538	269	807	
Total CO_2e (market-based electricity)	872	397	1,269	0.51*	763	430	1,193	0.51*

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 2025, total energy use is 3,933,852 kWh of which 2,981,284 kWh is UK and 952,568 kWh is non-UK based. In 2024, total energy use was 4,570,001 kWh of which 3,841,221 kWh is UK and 728,780 kWh is non-UK based. Scope 3 emissions reported as part of SECR mostly comprise business travel.

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 Benefact Trust group of companies continues to make improvements in the methodology and data it uses to report emissions.

The reporting year runs from 1 September 2024 to 31 August 2025. 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.

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. The risk register has been developed by key management within the Trust and is discussed a minimum of twice a year at the ARC. The Trust also maintains an emerging risk register that aims to identify potential risks which may emerge over the next few years, including those that are political, economic, social, technological, legal, and environmental.

The Trust is exposed to climate risk through investments held by the EEF, through the impact on its beneficiaries and through its ownership of the BG plc, 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 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.	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 will move to supportive crisis relief /other adaptive measures.

Risk / Opportunity	How this risk is managed	Timeline
Ownership of BG plc Through its ownership of BG plc, the Trust is exposed to physical risk primarily through BG plc's insurance businesses, transition risks primarily through BG plc's investments held and liability risks if BG plc fails in its obligations under climate. The Trust's carbon footprint includes that of BG plc. Donations to the Trust from BG plc could also be impacted if any material climate risks aren't managed appropriately.	BG plc's Board has an overarching responsibility for overseeing BG plc's response to climate change. A programme of activity is run to understand, manage and monitor BG plc'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 BG plc include physical risk through its insurance businesses and transition risk through its investments. BG plc operates internationally and is therefore impacted by a range of physical and transitional risks that may occur over different time periods. BG plc 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. BG plc 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 32. More detailed information on BG plc's approach to environmental matters is included in a separate TCFD report available on BG plc's 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. BG 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 BG plc, which could adversely impact its ability to undertake charitable giving.

How they are managed

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

The Finance and Investment Committee and the 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 BG plc 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, BG plc, on its performance and through the trustees who act as 'common directors' with BG 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.

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 £25.0 million 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, in 2026 the next phase of the strategy will be developed. 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 '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.

During 2025 the Trust modernised some elements of its technology, including successfully migrating to a new grants management system. Operational risks were well managed.

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, BG plc, our employees (seconded from EIO plc), suppliers, the wider community and environment, and the Trust and BG plc'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 BG plc, 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 Trust commenced a review of its grant-giving in 2025, engaging with beneficiary representatives to understand their views, to inform the development of its grant-making strategy and ensure its grants are directed effectively to support the Christian community and beneficiaries.

Crisis response

In 2025, the Trust awarded six grants to the value of £750,000 towards a number of crisis response initiatives including (i) £150,000 to Médecins Sans Frontières to support

its Hepatitis C 'test and treat' campaign in Rohingyan refugee camps, (ii) two grants of £150,000 each to British Red Cross to support emergency aid work in response to the earthquake in Myanmar and its partnership with the Palestine Red Crescent Society, (iii) £100,000 to Worldvision for their continuing humanitarian aid work in Sudan, (iv) £75,000 to Friends of the Holy Land, to provide emergency support aimed at the small Christian community in Gaza and (v) £125,000 to Christian Aid to support their work in providing aid to those affected by the earthquake in Afghanistan.

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. In March 2025, the Board awarded a grant of £1.6 million to fund years two to four of the CWF's Benefact Trust Heritage Skills Programme.

Salvation Army

In September 2025, the trustees agreed to form a long-term strategic partnership with the Salvation Army to support people affected by homelessness. A grant of £1.1 million was awarded to the Salvation Army to support the targeted cohorts of people affected by homelessness through a pilot self-delivered accommodation project across the UK for a period of three years.

Church of Ireland (CoI) Carbon Reduction Programme

Following the Strategic Partnership Grants awarded to the Church of England (CoE) and Scottish Episcopal Church (SEC) for their net zero demonstrator programmes, the trustees were keen to explore similar partnerships with other denominations across the UK and Ireland. In September 2025, the Board agreed to partner with the CoI and award a grant of £200,000 towards a CoI Carbon Reduction Grants programme to be jointly funded by the CoI and the Trust. The programme is similar to the CoE and SEC programmes in that it aims to provide clear examples of how decarbonisation can be achieved by churches and cathedrals across the CoI's 11 dioceses, (covering both Northern Ireland and the Republic of Ireland).

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 45.

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 2025:

Strategic Grants Review

During 2025, a strategic review was undertaken in relation to the Trust's grant-giving, considering survey findings and research reports which provided insights and feedback from beneficiaries; engagement with beneficiary groups on emerging grant-giving proposals and consultations with beneficiaries on the impact of its grant-giving. In December 2025, the Board approved a number of the key recommendations, including but not limited to:

- Retaining the existing programme portfolio but restructuring Building Improvement Grants and Community Impact Grants into separate capital and revenue programmes.
- Introducing a new set of grant rates for the new Building Grants Programme.
- Introducing greater flexibility into the funding provided by Community Impact Grants to help address financial challenges faced by beneficiaries.

Actions to implement the approved recommendations will be carried out during 2026.

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.

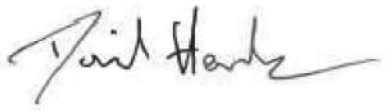
Our key stakeholders	Methods of engagement and outcomes
Members	
The Trust was registered as a company limited by guarantee and, in accordance with its articles of association, can have a maximum of 50 registered members. The interests of the Trust and its members are aligned with the common purpose 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 2025, the Trust held 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.

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 2025, the Trust commissioned a Beneficiary Research Survey to help inform its strategic grants review. The Trust also continued to work closely with known charity partners to respond to and support the most vulnerable in our communities.
The Benefact Group	
As the ultimate owner of BG plc, 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 BG plc or its subsidiaries. This enables the trustees to receive regular updates from, and maintain oversight of, the Group that it owns. There is also regular engagement between the Chair of the Board and the Chair of BG plc, as well as with BG plc's Group Chief Executive Officer (Group CEO) who provides an update to the trustees at every Board meeting.	BG plc's 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 BG plc. In addition, throughout the year presentations were given by other BG plc executives to help trustees better understand strategic initiatives implemented throughout BG. The trustees were invited to attend BG plc's leadership conference in June 2025, 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. The Board and the Finance and Investment Committee received regular updates on the performance of its subsidiary throughout the year. 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 supports a Community Impact Grants programme which aims to fund work that will have a positive and transformative impact on lives and communities, with particular focus on: I. growing church congregations and communities; II. addressing social challenges facing communities; and III. improvement of church buildings to enable wider community use. The Trust also supports a Building Improvement Grants programme, which provides 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 2026.

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 considered the refreshed Charity Governance Code (2025). A gap analysis was undertaken to ensure that the Trust was in line with the Charity Governance Code 2025 and the outcome demonstrated compliance with the new principles.

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



David Henderson

Chair

7 May 2026

Trustees' Report

(incorporating the Directors' Report for the year ended 31 December 2025)

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 2025. 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) (as revised in September 2024).

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 44.

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 October 2025. 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, the 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 the 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 the 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 established an Investment Committee.

The Trust's Finance and Investment Committee has three scheduled meetings a year and primarily oversee the Trust's financial affairs and its investment strategy in BG plc. Its members are Patrick Rudden (Chair), Nick Sykes and David Henderson who was appointed on 1 January 2026. Francois Boisseau retired as a trustee on 31 December 2025 and consequently ceased to be a member of the Finance and Investment Committee.

The Audit and Risk Committee has four scheduled meetings a year. It is responsible for ensuring the appropriateness of the Trust's financial reporting, reviewing and monitoring 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. Tim Carroll retired as Chair of the Trust on 31 December 2025 and consequently ceased to be a member of the Audit and Risk Committee.

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 and the professional development of all the existing trustees; and considering succession planning and the membership needs of the Trust. Its members are David Henderson (Chair) who was appointed on 1 January 2026, David Paterson and Revd Paul Davis. Tim Carroll retired as Chair of the Trust on 31 December 2025 and consequently ceased to be a member of the Nominations Committee.

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), David Paterson, Caroline Coombs, Revd Canon Sarah Denner-Brown and David Henderson who was appointed on 1 January 2026. Tim Carroll retired as Chair of the Trust on 31 December 2025 and consequently ceased to be a member of the Grants Committee.

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 Revd Julia Reid (Chair) who was appointed on 26 June 2025, Louise Wilkins, Caroline Coombs and Revd Ian Rutherford. David Crompton resigned as Chair of the Committee on 26 June 2025.

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 which has three scheduled meetings a year and primarily oversees the EEF's investment strategy and performance. Its members are Nick Sykes (Chair), Patrick Rudden and David Henderson who was appointed on 1 January 2026. Francois Boisseau retired as a trustee on 31 December 2025 and consequently ceased to be a member of the EEF's Investment Committee.

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 10 and 27 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 147.

In accordance with the succession plan, Tim Carroll resigned as Chair and trustee on 31 December 2025 after nine years distinguished service to the charity. He was succeeded by David Henderson who was appointed as Chair and trustee on 1 January 2026.

Francois Boisseau resigned from the Board on 31 December 2025. Revd Canon Sarah Denner-Brown was appointed to the Board on 4 March 2025 and Sir Stephen Lamport was appointed to the Board on 1 January 2026.

The Revd Paul Davies and David Paterson will retire by rotation and being eligible, offer themselves for re-election at the forthcoming AGM. David Henderson and Sir Stephen Lamport will seek election at the forthcoming AGM. Revd Canon Sarah Denner-Brown was re-elected a director at the AGM in 2025.

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. Denise Cockrem was appointed in October 2024, and Revd Canon Sarah Denner-Brown was appointed in March 2025. The Board recognised that it fell slightly short of its 33% target for female representation during 2025 and did 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 BG 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 2022/2023. The next external evaluation will be undertaken in 2026.

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 continued during 2025. An overarching risk appetite statement was developed and approved by the Board and an enhanced skills assessment was 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 non-executive 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.

The 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 BG plc can be found in the Group Remuneration Report of BG plc's annual report and accounts which are available from the registered office, as shown on page 147.

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 on the homepage 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 BG'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 £46.2 million and no borrowings (2024: cash at bank and in hand of £33.4 million and no borrowings); and the EEF has financial investments of £119.4 million, 100% of which are liquid (2024: financial investments of £118.6 million, 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 £1.1 billion, 75% of which are liquid (2024: £997.0 million, 77% of which are liquid) and cash and cash equivalents of £126.2 million (2024: £136.7 million). Liquid financial investments consist of listed equities and open-ended investment companies, government bonds and listed debt. BG's draft capital position remains robust with Solvency II capital ratio cover for BG increasing to 248% from 240%. 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 BG, 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.

Trustees' Responsibilities Statement

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 PwC LLP be appointed as auditors of the Trust will be put to the annual general meeting.

Equality, Diversity and Inclusion

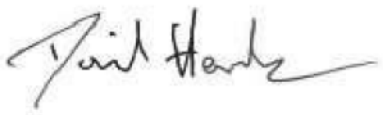
The Benefact Trust and its subsidiaries is committed to nurturing a culture and work environment in which all colleagues can fulfil their potential. BG's Equality and Diversity Standard and Guidance sets out expectations for an open and inclusive workplace. The care and wellbeing of all our colleagues 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 BG plc annual report and accounts which are available from the registered office, as shown on page 147.

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



David Henderson

Chair

07 May 2026

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

for the year ended 31 December 2025

	Notes	2025 Unrestricted funds £000	2025 Endowment funds £000	2025 Total funds £000	2024 Unrestricted funds £000	2024 Endowment funds £000	2024 Total funds £000
Income and endowments from:							
Donations	3	**2,747**	-	**2,747**	3,226	-	3,226
Investments							
Donations from subsidiary undertaking	4	**24,000**	-	**24,000**	33,000	-	33,000
Dividend and interest income	5	**927**	**2,620**	**3,547**	184	2,586	2,770
Total income		**27,674**	**2,620**	**30,294**	36,410	2,586	38,996
Expenditure on:							
Raising funds		-	**(421)**	**(421)**	-	(427)	(427)
Charitable activities							
Charitable giving - grants	6	**(26,639)**	**-**	**(26,639)**	(25,358)	-	(25,358)
Other expenditure on charitable activities	7	**(1,991)**	-	**(1,991)**	(1,714)	-	(1,714)
Total expenditure		**(28,630)**	**(421)**	**(29,051)**	(27,072)	(427)	(27,499)
Net gains on investments	12	-	**3,930**	**3,930**	-	10,001	10,001
Taxation	8	-	**(145)**	**(145)**	-	(141)	(141)
Net (expenditure)/income in the year		**(956)**	**5,984**	**5,028**	9,338	12,019	21,357
Transfers between funds							
Gross transfers to the unrestricted fund	16	**2,995**	**(2,995)**	-	9,904	(9,904)	-
Net movement in funds		**2,039**	**2,989**	**5,028**	19,242	2,115	21,357
Reconciliation of funds:							
Total funds brought forward		**25,939**	**119,212**	**145,151**	6,697	117,097	123,794
Total funds carried forward		**27,978**	**122,201**	**150,179**	25,939	119,212	145,151

The accompanying notes on pages 61 to 71 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 2025

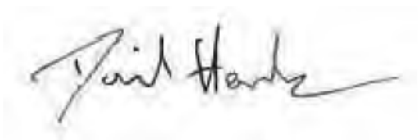
	Notes	2025 Unrestricted funds £000	2025 Endowment funds £000	2025 Total funds £000	2024 Total funds £000
Fixed assets					
Investments	12	**50**	**119,407**	**119,457**	118,605
Total fixed assets		**50**	**119,407**	**119,457**	118,605
Current assets					
Debtors	13	**159**	**80**	**239**	129
Cash at bank and in hand	14	**46,221**	**2,787**	**49,008**	34,008
Total current assets		**46,380**	**2,867**	**49,247**	34,137
Liabilities					
Creditors: amounts falling due within one year	15	**(15,637)**	**(73)**	**(15,710)**	(5,916)
Net current assets		**30,743**	**2,794**	**33,537**	28,221
Total assets less current liabilities		**30,793**	**122,201**	**152,994**	146,826
Creditors: amounts falling due after one year	15	**(2,815)**	**-**	**(2,815)**	(1,675)
Total net assets		**27,978**	**122,201**	**150,179**	145,151
The funds of the charity:					
Unrestricted funds					
General funds	16	**23,255**	**-**	**23,255**	21,829
Designated funds	16	**4,723**	-	**4,723**	4,110
		27,978	-	**27,978**	25,939
Restricted funds					
Endowment funds	16	**-**	**122,201**	**122,201**	119,212
Total funds		**27,978**	**122,201**	**150,179**	145,151

The charity has no restricted income funds.

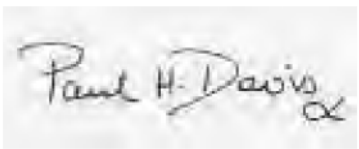
The accompanying notes on pages 61 to 71 are an integral part of the charity's financial statements.

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 58 to 71 were approved and authorised for issue by the Board on 7 May 2026 and signed on its behalf by:



David Henderson
Chairman



Revd Paul Davis
Trustee

CHARITY STATEMENT OF CASH FLOWS

for the year ended 31 December 2025



	Notes	2025 £000	2024 £000
Cash flows from operating activities:			
Net income for the reporting period		**5,028**	21,357
Adjustments for:			
Gains on investments		**(3,930)**	(10,001)
Dividend and interest income from investments		**(3,547)**	(2,770)
Increase in debtors		**(84)**	(1)
Increase in creditors		**10,934**	1,216
Taxation paid		**145**	141
Net cash provided by operating activities		**8,546**	9,942
Cash flows from investing activities:			
Dividend and interest income from investments		**3,401**	2,690
Proceeds from the sale of investments		**17,928**	22,190
Purchase of investments		**(14,850)**	(16,704)
Net cash provided by investing activities		**6,479**	8,176
Change in cash and cash equivalents in the reporting period		**15,025**	18,118
Cash and cash equivalents at the beginning of the reporting period		**34,008**	15,908
Change in cash and cash equivalents in the reporting period		**15,025**	18,118
Change in cash and cash equivalents due to exchange rate movements		**(25)**	(18)
Cash and cash equivalents at the end of the reporting period	14	**49,008**	34,008

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 61 to 71 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 £46.2m and no borrowings (2024: £33.4m and no borrowings); and the Expendable Endowment Fund (EEF) has financial investments of £119.4m, 100% of which are liquid (2024: financial investments of £118.6m, 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

The charity early adopted the amendments to FRS 102 issued by the Financial Reporting Council in March 2024 with effect from 1 January 2024. There have been no changes to the charity's accounting policies or amounts recognised in the financial statements as a result of these amendments.

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 other expenditure on charitable activities.

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.

Income (continued)

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.



Financial instruments (continued)

(i) Classification and measurement (continued)

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 debt investments 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 £2.3m (2024: £2.8m) from Methodist Insurance PLC which was designated by the trustees.

The charity received £0.4m (2024: £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 other expenditure on charitable activities.

4 Donations from subsidiary undertakings

During the year, the charity received donations totalling £24.0m (2024: £33.0m) from EIO plc.

5 Dividend and interest income

	2025			2024		
	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	**-**	**2,632**	**2,632**	-	2,579	2,579
Income from financial assets at amortised cost						
- cash at bank and in hand and cash deposits, net of exchange movements	**927**	**(12)**	**915**	184	7	191
	927	**2,620**	**3,547**	184	2,586	2,770

6 Charitable giving - grants

2025	Grants to institutions £000	Shared costs £000	Support costs £000	Total £000
Community Impact Grants	10,232	297	195	10,724
Building Improvement Grants	4,431	170	195	4,796
Methodist Grants	2,419	56	195	2,670
Crisis Response Grants	750	18	195	963
Recurrent Grants	5,263	43	195	5,501
Strategic Partnership Grants	3,533	37	195	3,765
Other Grants	86	5	195	286
Total grants awarded in the year	26,714	626	1,365	28,705
Return and withdrawal of grants awarded in prior years	(75)	-	-	(75)
Total grants net of returned and withdrawn grants	26,639	626	1,365	28,630

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

A list of all grants awarded to institutions is published on Benefact Trust's website: 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
The Cathedrals' Workshop Fellowship, York, North Yorkshire	Strategic Partnerships	1,593
The Salvation Army, UK	Strategic Partnerships	1,070
The Methodist Church in Great Britain, London	Methodist Connexion Grants	890
British Red Cross	Crisis Response	300
Archbishops' Council of the Church of England	Strategic Partnerships	250



7 Other expenditure on charitable activities

Other charitable expenditure in the current year consists of £0.6m shared costs and £1.4m support costs incurred in the charity's grant-making activities and can be analysed as follows:

2025	Community Impact Grants £000	Building Improvement Grants £000	Methodist Grants £000	Crisis Response Grants £000	Basis of allocation
Shared costs	297	170	56	18	Mixed allocation*
Support costs:					
Governance costs	59	59	59	59	Equal allocation
Finance	15	15	15	15	Equal allocation
Information technology	16	16	16	16	Equal allocation
Buildings	10	10	10	10	Equal allocation
Corporate	22	22	22	22	Equal allocation
Other	73	73	73	73	Equal allocation
	195	195	195	195	
Other expenditure on charitable activities	492	365	251	213	

2025	Recurrent Grants £000	Strategic Partnership Grants £000	Other Grants £000	Basis of allocation
Shared costs	43	37	5	Mixed allocation*
Support costs:				
Governance costs	59	59	59	Equal allocation
Finance	15	15	15	Equal allocation
Information technology	16	16	16	Equal allocation
Buildings	10	10	10	Equal allocation
Corporate	22	22	22	Equal allocation
Other	73	73	73	Equal allocation
	195	195	195	
Other expenditure on charitable activities	238	232	200	

*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 £0.5m 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.



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 (2024: £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 (2024: fourteen). All employees were employed in the United Kingdom in both the current and prior year.

	2025	2024
	£000	£000
Wages and salaries	**885**	792
Social security costs	**108**	89
Pension costs - defined contribution plans	**81**	76
	1,074	957

In the current 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, one employee received recharged employee benefits within the £90,001-£100,000 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 £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.

10 Trustee remuneration

The trustees did not receive any remuneration from the charity during the current or prior year. Three trustees (2024: Four 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 £2,273 (2024: £2,000) which were incurred by six trustees primarily in respect of travel (2024: four trustees primarily in respect of travel).

In addition, the charity paid direct expenses totalling £3,403 (2024: £12,000) which were incurred by seven trustees primarily in respect of travel and subsistence (2024: eight trustees, primarily in respect of travel and subsistence).

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 (2024: £0.4m). 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

	2025			2024		
	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	**-**	**119,407**	**119,407**	**-**	118,555	118,555
Total investments at fair value	**-**	**119,407**	**119,407**	**-**	118,555	118,555
Financial assets at historic cost						
Investment in subsidiary	**50**	**-**	**50**	50	-	50
Total investments at historic cost	**50**	-	**50**	50	-	50
Total investments	**50**	**119,407**	**119,457**	50	118,555	118,605

The value of the investment in subsidiary on a historical cost basis is £50,000 (2024: £50,000). At the year end the subsidiary had consolidated net assets of £567.5m (2024: £544.0m).

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:

2025	**Unrestricted funds At historic cost £000**	**Endowment funds At fair value £000**	**Total funds £000**
At 1 January	**50**	**118,555**	**118,605**
Additions at cost	**-**	**14,850**	**14,850**
Sale proceeds	**-**	**(17,928)**	**(17,928)**
Net fair value gains	**-**	**3,930**	**3,930**
At 31 December	**50**	**119,407**	**119,457**

2024	Unrestricted funds At historic cost £000	Endowment funds At fair value £000	Total funds £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

13 Debtors

	2025			2024		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Prepayments and accrued income	**74**	**80**	**154**	20	109	129
Other debtors	**85**	**-**	**85**	-	-	-
	159	**80**	**239**	20	109	129

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

14 Cash at bank and in hand

	2025			2024		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Short term deposits	**25,622**	**2,787**	**28,409**	19,509	617	20,126
Cash at bank and in hand*	**20,599**	**-**	**20,599**	13,882	-	13,882
	46,221	**2,787**	**49,008**	33,391	617	34,008

*Cash at bank and in hand is higher at the year end due to the timing of an £8.0m intercompany transfer from EIO plc, which was subsequently returned in January.

15 Creditors

	2025			2024		
	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	**7,366**	**-**	**7,366**	5,602	-	5,602
Other creditors	**285**	**73**	**358**	239	3	242
Amounts owed to group undertakings*	**7,986**	**-**	**7,986**	6	66	72
	15,637	**73**	**15,710**	5,847	69	5,916
Amounts falling due after one year:						
Accruals for grants payable	**2,815**	**-**	**2,815**	1,675	-	1,675
	2,815	**-**	**2,815**	1,675	-	1,675

*Amounts owed to group undertakings are higher at year end due to the timing of an £8.0m intercompany transfer from EIO plc, which was subsequently returned in January.

16 Summary of fund movements

	Unrestricted funds			
	General funds £000	Designated funds £000	Endowment funds £000	Total £000
Fund balance at 1 January 2025	**21,829**	**4,110**	**119,212**	**145,151**
Income	**25,282**	**2,392**	**2,620**	**30,294**
Expenditure	**(26,177)**	**(2,453)**	**(421)**	**(29,051)**
Taxation	**-**	**-**	**(145)**	**(145)**
Fair value gains on investments	**-**	**-**	**3,930**	**3,930**
Gross transfers to unrestricted funds	**2,321**	**674**	**(2,995)**	**-**
Fund balance at 31 December 2025	**23,255**	**4,723**	**122,201**	**150,179**
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

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 £3.1m (2024: £4.1m).

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 £3.0m (2024: £9.9m) 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.

	2025 £000	2024 £000
Donations received	**24,000**	33,000
Expenses recharged	**(1,108)**	(968)
Investment management fees paid	**(263)**	(263)
Amounts due to related parties*	**(8,050)**	(72)

*Amounts due to related parties is higher at the year end due to the timing of an £8.0m intercompany transfer from EIO plc, which was subsequently returned in January.

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 2025

	Notes	2025			2024		
		Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Income from:							
Donations		**2,300**	-	**2,300**	2,800	-	2,800
Other trading activities							
Income arising from trading activities	20	**808,062**	-	**808,062**	797,820	-	797,820
Investments							
Dividend, interest and rental income	21	**45,068**	**2,620**	**47,688**	48,533	2,586	51,119
Total income		**855,430**	**2,620**	**858,050**	849,153	2,586	851,739
Expenditure on:							
Raising funds		**-**	**(421)**	**(421)**	-	(427)	(427)
Charitable activities							
Grants		**(26,639)**	-	**(26,639)**	(25,358)	-	(25,358)
Other expenditure on charitable activities		**(1,544)**	**-**	**(1,544)**	(1,287)	-	(1,287)
Other							
Charitable donations paid by trading subsidiaries		**(4,302)**	-	**(4,302)**	(3,702)	-	(3,702)
Expenditure arising from trading activities	20	**(823,884)**	**-**	**(823,884)**	(798,604)	-	(798,604)
Total expenditure		**(856,369)**	**(421)**	**(856,790)**	(828,951)	(427)	(829,378)
Net gains on investments	22	**45,590**	**3,930**	**49,520**	21,557	10,001	31,558
Profit on disposal of business	33	**17**	**-**	**17**	5,187	-	5,187
Taxation	23	**(12,642)**	**(145)**	**(12,787)**	(10,314)	(141)	(10,455)
		32,026	**5,984**	**38,010**	36,632	12,019	48,651
Net income/(expenditure) in the year							
a. arising from the charity		**(24,956)**	**5,984**	**(18,972)**	(23,662)	12,019	(11,643)
b. arising from trading activities							
attributable to the parent		**47,612**	-	**47,612**	49,804	-	49,804
attributable to non-controlling interests		**9,370**	-	**9,370**	10,490	-	10,490
	24	**32,026**	**5,984**	**38,010**	36,632	12,019	48,651

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

for the year ended 31 December 2025

	Notes	2025			2024		
		Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Transfer between funds							
Gross transfers to unrestricted funds	42	**2,995**	**(2,995)**	**-**	9,904	(9,904)	-
Other recognised gains/(losses)							
Actuarial gains/(losses) on retirement benefits	41	**1,379**	-	**1,379**	(2,169)	-	(2,169)
Other losses							
Currency translation differences	43	**(910)**	**-**	**(910)**	(9,325)	-	(9,325)
Gains on net investment hedges	43	**2,303**	-	**2,303**	8,809	-	8,809
Tax attributable to other recognised gains/(losses)	23	**(1,049)**	**-**	**(1,049)**	(838)	-	(838)
Non-controlling interests	45	**(9,370)**	**-**	**(9,370)**	(10,490)	-	(10,490)
Net movement in funds excluding non-controlling interests		**27,374**	**2,989**	**30,363**	32,523	2,115	34,638
Reconciliation of funds:							
Total funds brought forward	42	**569,145**	**119,212**	**688,357**	538,377	117,097	655,474
Transition adjustment on adoption of Periodic Review 2024 amendments to FRS 102	18	-	-	-	(1,755)	-	(1,755)
Acquisition of non-controlling interest		**(896)**	**-**	**(896)**	-	-	-
Total funds carried forward		**595,623**	**122,201**	**717,824**	569,145	119,212	688,357

The accompanying notes on pages 77 to 146 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

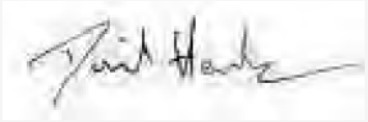
at 31 December 2025

	Notes	2025 Total funds £000	2024 Total funds £000
Fixed assets			
Intangible assets	28	**117,525**	138,267
Tangible assets	29	**40,091**	45,496
Investment property	30	**121,901**	128,563
Investments	31	**1,677,277**	1,563,250
Investment in associate	34	**-**	209
Total fixed assets		**1,956,794**	1,875,785
Current assets			
Debtors	36	**311,303**	309,350
Cash at bank and in hand	37	**175,227**	170,732
Total current assets		**486,530**	480,082
Liabilities			
Creditors: amounts falling due within one year	38	**(146,880)**	(130,460)
Net current assets		**339,650**	349,622
Total assets less current liabilities		**2,296,444**	2,225,407
Creditors: amounts falling due after one year	38	**(3,260)**	(2,165)
Provisions for liabilities	39	**(1,460,218)**	(1,409,915)
Subordinated liabilities	40	**(26,835)**	(25,112)
Net assets excluding retirement benefit obligations		**806,131**	788,215
Net pension asset	41	**18,710**	17,552
Other retirement benefit obligations	41	**(4,152)**	(4,332)
Total net assets including retirement benefit obligations		**820,689**	801,435
The funds of the charity:			
Unrestricted funds			
General funds	42	**23,255**	21,829
Designated funds	42	**4,723**	4,110
Non-charitable trading reserves	42	**549,205**	525,453
Translation and hedging reserve	43	**18,440**	17,753
		595,623	569,145
Restricted funds			
Endowment funds	42	**122,201**	119,212
Total funds (excluding non-controlling interests)		**717,824**	688,357
Non-controlling interests	45	**102,865**	113,078
Total funds		**820,689**	801,435

The accompanying notes on pages 77 to 146 are an integral part of these consolidated financial statements.

The consolidated financial statements of Benefact Trust Limited registration number 1043742, on pages 72 to 146 were approved and authorised for issue by the Board on 7 May 2026 and signed on its behalf by:

David Henderson
Chairman



Revd Paul Davis
Trustee



CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025



	2025 £000	2024 £000
Cash flows from operating activities:		
Net income for the reporting period	**38,010**	48,651
Adjustments for:		
Depreciation of property, plant and equipment	**7,868**	8,560
Profit on disposal of property, plant and equipment	**257**	(68)
Amortisation and impairment of intangible assets	**32,417**	17,225
Movement in expected credit loss provision	**323**	(37)
Share of loss of associate	**4**	200
Tax expense	**12,787**	10,455
Impairment of associate undertakings	**97**	-
Profit before tax on disposal of business	**(17)**	(5,187)
Net gains on financial investments and investment property	**(49,520)**	(31,558)
Dividend and interest income from investments	**(35,252)**	(35,966)
Finance costs	**4,159**	3,948
Increase in debtors	**(5,124)**	(24,900)
Increase in creditors	**17,915**	5,577
Increase in provisions	**22,809**	32,992
Adjustment for pension funding	**27**	(428)
Increase in retirement benefit obligation	**14**	26
Proceeds from the sale of investment property by trading subsidiaries	**11,395**	5,080
Proceeds from the sale of financial investments by trading subsidiaries	**337,101**	162,075
Purchase of investment property by trading subsidiaries	**(200)**	-
Purchase of financial investments by trading subsidiaries	**(380,143)**	(172,177)
Dividends received by trading subsidiaries	**14,021**	13,110
Interest received by trading subsidiaries	**18,111**	18,864
Tax paid by trading subsidiaries	**(7,026)**	(10,308)
Cumulative translation differences recycled to statement of financial activities	**-**	505
Net cash provided by operating activities	**40,033**	46,639
Cash flows from investing activities:		
Purchases of property, plant and equipment	**(1,955)**	(4,468)
Proceeds from the sale of property, plant and equipment	**5**	1,963
Purchases of intangible assets	**(8,917)**	(8,651)
Purchase of investments by parent charity	**(14,850)**	(16,704)
Proceeds from the sale of investments by parent charity	**17,928**	22,190
Proceeds from the sale of intangible assets	**(53)**	-
Acquisition of business, net of cash acquired	**(1,893)**	(1,536)
Acquisition of interest in subsidiary, net of cash acquired	**(13,065)**	(17,002)
Acquisition of interest in subsidiary	**(500)**	-
Disposal of business, net of cash transferred	**-**	5,187
Dividend and interest income from parent charity investments	**3,401**	2,690
Net cash used in investing activities	**(19,899)**	(16,331)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the year ended 31 December 2025



	Notes	2025 £000	2024 £000
Cash flows from financing activities:			
Interest paid by trading subsidiaries		**(3,480)**	(3,315)
Payment of lease liabilities		**(3,768)**	(3,019)
Payment of group tax in excess of standard rate		**-**	(3,837)
Proceeds from other borrowings		**(73)**	(48)
Dividends paid to non-controlling interests of subsidiaries		**(8,831)**	(10,074)
Net cash used in financing activities		**(16,152)**	(20,293)
Change in cash and cash equivalents in the reporting period		**3,982**	10,015
Cash and cash equivalents at the beginning of the reporting period		**170,732**	164,222
Change in cash and cash equivalents in the reporting period		**3,982**	10,015
Change in cash and cash equivalents due to exchange rate movements		**513**	(3,505)
Cash and cash equivalents at the end of the reporting period	37	**175,227**	170,732

The accompanying notes on pages 77 to 146 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

The Benefact Trust group of companies early adopted the amendments to FRS 102 issued by the Financial Reporting Council in March 2024 with effect from 1 January 2024. The amendments, which are effective for accounting periods beginning on or after 1 January 2026, primarily relate to revenue recognition and lease accounting.

The amendments to revenue recognition introduce a single, principles-based model requiring revenue to be recognised as performance obligations under contracts with customers are satisfied. This resulted in certain income received in advance being recognised as deferred income where the associated performance obligations had not been met at the reporting date.

The amendments to lease accounting require lessees to recognise most leases on the balance sheet, through the recognition of right-of-use assets and corresponding lease liabilities, removing the previous distinction between operating and finance leases.

Other amendments 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.



Subsidiaries (continued)

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.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. Exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the Statement of Financial Activities.

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.



(vi) Risk adjustment (continued)

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).

(viii) Insurance service expenses (continued)

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;
- 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.



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

Subsequent recognition (continued)

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.

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.

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

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 life company fee and commission income consists of the coupon received on assets under management as part of the structured note holding. Coupons are recorded as revenue on date of receipt, with the final month of the year recognised as it accrues.

The general insurance fee and commission income consists of amounts received from third-party insurers.



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 titled International Tax Reform – Pillar Two Model Rules. These amendments address the implementation of the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two Model Rules. The Benefact Trust group of companies became subject to these rules from 1 January 2025. In line with the amendments, the Benefact Trust group of companies will continue to apply the mandatory exception from recognising and disclosing 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.

Software costs that cannot be classified as intangible assets are included in the statement of financial activities within expenditure arising from trading subsidiaries during the period in which they are incurred.

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

Where the carrying amount of an item carried at historical cost less accumulated depreciation is greater than its estimated recoverable amount, it is written down to its recoverable amount by way of an impairment charge in the statement of financial activities.

Repairs and maintenance are charged to the statement of financial activities during the financial year in which they are incurred.

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.



Financial instruments (continued)

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.

(a) Debt instruments

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

- 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.
- 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 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.

Financial instruments (continued)

(ii) Impairment (continued)

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).



Employee benefits (continued)

Pension obligations (continued)

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

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.



Leases (continued)

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.

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 147.

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:

2025	Insurance gross written premiums				
	General business £000	Life business £000	Asset Management £000	Broking and advisory £000	Total £000
United Kingdom and Ireland	468,940	-	13,211	87,724	569,875
Australia	88,975	-	-	-	88,975
Canada	95,863	-	-	-	95,863
Trading subsidiaries' turnover	653,778	-	13,211	87,724	754,713

Reconciliation of turnover to income arising from trading subsidiaries:	
Turnover	754,713
Change in the gross unearned premium provision	(8,887)
Investment return	442
Recoveries of incurred claims and other insurance service expenses	51,861
Recoveries of losses on onerous contracts and reversal of those losses	29
Finance income from reinsurance contracts held	7,939
Share of profit on associate	(4)
Other income	1,969
Income arising from trading activities	808,062

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

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

(b) Expenditure arising from trading subsidiaries

	2025 £000	2024 £000
Insurance service expenses	**(434,964)**	(450,446)
Allocation of reinsurance premiums	**(148,119)**	(150,849)
Finance expense from insurance contracts issued	**(25,153)**	(11,820)
Reinsurance administration costs	**(4,273)**	(2,643)
Other operating expenses	**(207,216)**	(178,903)
Other finance costs	**(4,159)**	(3,943)
	(823,884)	(798,604)

(c) Fee and commission income

During the year the trading subsidiaries recognised £102.9m of revenue from contracts with customers (2024: £100.7m). 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 2025			
General business	**1,997**	-	**1,997**
Investment management	**91**	**13,120**	**13,211**
Broking and advisory	**84,440**	**3,260**	**87,700**
	86,528	**16,380**	**102,908**



(c) Fee and commission income (continued)

	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*

	2025				2024
	Ecclesiastical Insurance Office plc £000	**Ansvar Insurance Limited £000**	**Ecclesiastical Life Limited £000**	**Total £000**	Total £000
Profit and loss account					
Turnover	**581,281**	**88,975**	**(85)**	**670,171**	643,065
Dividend and interest income	**70,439**	**4,561**	**2,384**	**77,384**	50,934
Other income	**22,403**	**34,405**	**7,523**	**64,331**	80,935
Total income	**674,123**	**127,941**	**9,822**	**811,886**	774,934
Insurance service expenses	**(380,571)**	**(65,854)**	**(4,820)**	**(451,245)**	(478,908)
Charitable donations	**(3,985)**	**(156)**	**-**	**(4,141)**	(3,534)
Other expenditure	**(220,463)**	**(61,591)**	**(3,872)**	**(285,926)**	(231,128)
Total expenditure	**(605,019)**	**(127,601)**	**(8,692)**	**(741,312)**	(713,570)
Net gains on investments	**42,064**	**875**	**1,650**	**44,589**	26,073
Taxation	**(11,657)**	**(401)**	**(655)**	**(12,713)**	(9,774)
Gift aid paid to parent charity	**(24,000)**	**-**	**-**	**(24,000)**	(33,000)
Other comprehensive expense and changes in equity	**(57,742)**	**76**	**(30,000)**	**(87,666)**	(44,648)
Profit/(loss) retained and transferred to reserves	**17,769**	**890**	**(27,875)**	**(9,216)**	15
Balance sheet					
Total assets	**1,340,754**	**216,439**	**244,051**	**1,801,244**	1,764,067
Equity	**578,728**	**53,605**	**26,285**	**658,618**	667,782
Liabilities	**762,026**	**162,834**	**217,766**	**1,142,626**	1,096,285
Total equity and liabilities	**1,340,754**	**216,439**	**244,051**	**1,801,244**	1,764,067

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*

	2025				2024
	Ecclesiastical Planning Services Limited £000	**Lloyd & Whyte Group Limited £000**	**Lycetts Holdings Limited £000**	**Total £000**	Total £000
Profit and loss account					
Turnover	**7,255**	**50,484**	**30,321**	**88,060**	86,627
Dividend and interest income	**204**	**4,031**	**385**	**4,620**	5,628
Other income	**(63)**	**53**	**-**	**(10)**	(175)
Total income	**7,396**	**54,568**	**30,706**	**92,670**	92,080
Charitable donations	**-**	**(51)**	**(8)**	**(59)**	(79)
Other expenditure	**(7,149)**	**(53,754)**	**(27,674)**	**(88,577)**	(86,693)
Total expenditure	**(7,149)**	**(53,805)**	**(27,682)**	**(88,636)**	(86,772)
Taxation	**(121)**	**(488)**	**(1,027)**	**(1,636)**	(2,937)
Other comprehensive income/ (expense) and changes in equity	**-**	**(987)**	**2**	**(985)**	1,994
Profit/(loss) retained and transferred to reserves	**126**	**(712)**	**1,999**	**1,413**	4,365
Balance sheet					
Total assets	**630,041**	**13,132**	**26,698**	**669,871**	649,330
Equity	**6,331**	**1,763**	**15,916**	**24,010**	22,600
Liabilities	**623,710**	**11,369**	**10,782**	**645,861**	626,730
Total equity and liabilities	**630,041**	**13,132**	**26,698**	**669,871**	649,330

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.

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

	2025			2024
	EdenTree Investment Management Limited	**EdenTree Asset Management Limited**	**Total**	Total
	£000	**£000**	**£000**	£000
Profit and loss account				
Turnover	**10,572**	**8,408**	**18,980**	16,960
Dividend and interest income	**83**	**171**	**254**	62
Total income	**10,655**	**8,579**	**19,234**	17,022
Charitable donations	**-**	**(71)**	**(71)**	(58)
Other expenditure	**(13,656)**	**(12,659)**	**(26,315)**	(21,888)
Total expenditure	**(13,656)**	**(12,730)**	**(26,386)**	(21,946)
Taxation	**708**	**966**	**1,674**	660
Loss retained and transferred to reserves	**(2,293)**	**(3,185)**	**(5,478)**	(4,264)
Balance sheet				
Total assets	**19,355**	**12,498**	**31,853**	29,485
Equity	**8,756**	**8,253**	**17,009**	18,488
Liabilities	**10,599**	**4,245**	**14,844**	10,997
Total equity and liabilities	**19,355**	**12,498**	**31,853**	29,485

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

	2025			2024		
	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	**9,467**	**2,632**	**12,099**	8,955	2,579	11,534
- unlisted	**4,879**	**-**	**4,879**	3,981	-	3,981
Debt securities						
- government bonds	**6,773**	**-**	**6,773**	6,642	-	6,642
- listed	**9,458**	**1**	**9,459**	9,307	-	9,307
Income from financial assets at amortised cost						
a. cash at bank and in hand and cash deposits net of exchange gains and losses	**2**	**(13)**	**(11)**	2	7	9
b. other income received	**6,234**	**-**	**6,234**	10,897	-	10,897
Other income						
c. rental income	**8,255**	**-**	**8,255**	8,749	-	8,749
	45,068	**2,620**	**47,688**	48,533	2,586	51,119

22 Net gains on investments

	2025			2024		
	Unrestricted funds £000	**Endowment funds £000**	**Total funds £000**	Unrestricted funds £000	Endowment funds £000	Total funds £000
Net gains on investments	**41,057**	**3,930**	**44,987**	18,726	10,001	28,727
Net gains on investment property	**4,533**	**-**	**4,533**	2,831	-	2,831
	45,590	**3,930**	**49,520**	21,557	10,001	31,558

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

	2025 £000	2024 £000
Current tax on net income/(expenditure) in the year		
UK corporation tax	**3,381**	2,645
Overseas tax	**5,478**	5,974
	8,859	8,619
Adjustments in respect of prior years		
UK corporation tax	**82**	187
Foreign tax	**2**	21
	84	208
Total current tax	**8,943**	8,827
Deferred tax		
Origination and reversal of timing differences	**3,619**	1,757
Impact of change in tax rate on opening liability	**-**	(1)
Adjustment in respect of prior years	**225**	(128)
Total deferred tax	**3,844**	1,628
Total tax on net income/(expenditure) for the year	**12,787**	10,455

Deferred tax has been provided at an average rate of 25% (2024: 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:

	2025 £000	2024 £000
Net income before tax	**50,797**	59,106
Tax calculated at the UK standard rate of tax of 25% (2024: 25%)	**12,699**	14,777
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	**11,190**	10,632
Non-taxable income	**(6,698)**	(7,977)
Tax relief for donations from EIO plc	**(6,000)**	(8,250)
Overseas taxes in excess of UK headline rate	**1,216**	656
Decrease in deferred tax asset not provided	**71**	538
Impact of differential between current and deferred tax rate	**-**	(1)
Adjustments to tax charge/(credit) in respect of prior periods	**309**	80
Total tax expense	**12,787**	10,455



On 20 June 2023, the UK substantively enacted the Pillar Two global minimum tax rules as part of the OECD's Base Erosion and Profit Shifting ("BEPS") initiative. The Benefact Trust group of companies is within the scope of these rules from 1 January 2025, having exceeded the relevant thresholds for the preceding two years.

Under Pillar Two, a top-up tax may be payable where the effective tax rate of the Benefact Trust group of companies operations in any jurisdiction, calculated in accordance with the Pillar Two principles, falls below 15%. For 2025 and 2026, simplified transitional safe harbour provisions based on Country-by-Country reporting data will be applied. In January 2026, the OECD announced a one-year extension of the transitional safe harbour to include 2027. Although this has not yet been enacted into UK law, it is expected to be implemented during 2026.

The Benefact Trust group of companies has applied the disclosure exemption requirements permitted under FRS 102 1.12(dA) as the required equivalent disclosures are presented in the consolidated financial statements of Benefact Group Limited, in which this company is included.

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

	2025	2024
	£000	£000
Current tax charged on:		
Fair value movements on hedge derivatives	**109**	276
Fair value gains on property	**-**	286
Deferred tax charged on:		
Fair value movements on owner-occupied property	**-**	(286)
Actuarial movements on retirement benefit plans	**345**	(543)
Fair value movements on hedge derivatives	**595**	1,105
Total tax charged to other recognised gains/(losses)	**1,049**	838

24 Net income/(expenditure) in the year

	2025		2024	
	Unrestricted funds	**Endowment funds**	Unrestricted funds	Endowment funds
Net income/(expenditure) in the year has been arrived at after charging:	**£000**	**£000**	£000	£000
Net foreign exchange losses/(gains)	**1,856**	**25**	(807)	19
Depreciation of tangible fixed assets	**7,868**	**-**	8,560	-
Amortisation of goodwill	**8,114**	**-**	7,728	-
Impairment of intangibles	**14,582**	**-**	29	-
Amortisation of intangible assets	**9,721**	**-**	9,468	-
Fair value gains on investments designated at fair value through profit and loss	**(41,057)**	**(3,930)**	(18,726)	(10,001)
Fair value gains on investment property	**(4,431)**	**-**	(291)	-

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

25 Auditors' remuneration

	2025	2024
	£000	£000
Fees payable to the charity's auditors for the audit of the charity's annual accounts	**47**	70
Fees payable to the charity's auditors and its associates for other services:		
- The audit of the charity's subsidiaries	**1,792**	1,760
Total audit fees	**1,839**	1,830
- Audit-related assurance services	**449**	425
Total non-audit fees	**449**	425
Total auditors' remuneration	**2,288**	2,255

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.

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:

	2025 No.	2024 No.
United Kingdom and Ireland	**2,125**	2,036
Australia	**145**	149
Canada	**111**	88
	2,381	2,273

	2025 £000	2024 £000
Wages and salaries	**170,678**	154,270
Social security costs	**19,148**	15,329
Pension costs - defined contribution plans	**13,021**	12,020
Pension costs - defined benefit plans	**360**	398
Other post-employment benefits	**228**	209
	203,435	182,226
Capitalised staff costs	**(1,538)**	(1,207)
	201,897	181,019

The above figures do not include termination benefits of £1.3m (2024: £1.6m).

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

Three (2024: Four) trustees received remuneration in their capacity as non-executive directors of subsidiary undertakings. One trustee received remuneration in their capacity as an executive director of subsidiary undertaking in the prior year. Details of the emoluments received are as follows:

	2025 £000	2024 £000
Sir Stephen Lamport*	**-**	80
Francois Boisseau	**95**	79
David Paterson**	**63**	33
Denise Cockrem - Executive fees***	**-**	517
Denise Cockrem - Non-executive fees***	**77**	25
Total emoluments paid to trustees in their capacity as directors of subsidiary undertakings	**235**	734

*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 a non-executive director of subsidiary undertakings. In the prior year she also recieved remunerations as an executive director, further details of which 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 147.

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

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 147.

28 Intangible assets

	Goodwill £000	Computer software £000	Other intangible assets £000	Total £000
Cost				
At 1 January 2025	**106,704**	**58,581**	**65,263**	**230,548**
Additions	**2,415**	**8,309**	**962**	**11,686**
Exchange movements	**-**	**(133)**	**10**	**(123)**
At 31 December 2025	**109,119**	**66,757**	**66,235**	**242,111**
Accumulated amortisation				
At 1 January 2025	**39,783**	**30,620**	**21,878**	**92,281**
Provided in the year	**8,114**	**3,583**	**6,138**	**17,835**
Impairment losses in the year	**-**	**14,582**	-	**14,582**
Exchange movements	-	**(122)**	**10**	**(112)**
At 31 December 2025	**47,897**	**48,663**	**28,026**	**124,586**
Net book value				
At 31 December 2024	66,921	27,961	43,385	138,267
At 31 December 2025	**61,222**	**18,094**	**38,209**	**117,525**

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.

£6.8m of the goodwill balance in the current year (2024: £7.6m) relates to the acquisition of Access Underwriting Limited (Access) on 6 February 2024. Further information on the acquisition is disclosed within note 35.

£45.6m of the goodwill balance (2024: £51.7m) relates to the acquisition of L&W in 2023. £1.4m of the goodwill balance (2024: £1.6m) relates to the acquisition of Boshers Ltd on 2 April 2024. £1.1m of the goodwill balance (2024: £1.4m) relates to the acquisition of G.D Anderson & Co in 2022. £1.1m of the goodwill balance (2024: £1.3m) relates to the acquisition of the trade and assets of Martin-Readman & Partners on 1 January 2024. £0.9m of the goodwill balance (2025: nil) relates to the acquisition of Severn Bay Corporate Solutions Limited on 28 November 2025. £0.9m of the goodwill balance (2024: nil) relates to the acquisition of M Ladbrook Ltd on 26 February 2025 . £0.8m of the goodwill balance (2024: £0.9m) relates to the acquisition of Clearbroking Ltd on 1 December 2024. £0.7m of the goodwill balance (2024: £0.7m) relates to the acquisition of Cheviot Insurance Services Ltd on 29 October 2024. £0.6m of the goodwill balance (2024: £0.7m) relates to the acquisition of Robertson-McIsaac Limited in 2019. £0.5m of the goodwill balance (2024: £0.5m) relates to the acquistion of Allied Wessex Dental by L&W in 2023. £0.5m of the goodwill balance (2024: nil) relates to the acquisition of De Novo Risk Solutions Limited on 16 July 2025 . £0.3m (2024: £0.4m) of the goodwill balance relates to a book of business acquired by Lycetts in 2023.

Computer software for the Benefact Trust group of companies has been tested for impairment and is carried at cost less accumulated impairment losses and amortisation. The calculations for all recoverable amounts use cash flow projections based on management-approved business plans, covering a three-year period. Cash flows beyond this period are extrapolated using the UK long-term average growth rate, usually sourced from the Office for Budget Responsibility (OBR). Where the value in use is less than the current carrying value, the computer software is impaired in order to ensure that the carrying value is not greater than its future value. The value in use was calculated using projected cash flows for the next seven years, a discount rate of 12.0% and a growth rate beyond initial cash flow projections of 1.5%.

Other intangible assets consist of brand, customer and distribution relationships acquired by the trading subsidiaries. £31.4m (2024: £35.9m) of the intangible assets relates to the acquisition of the assets of L&W. The acquired brand has a remaining useful life of ten years. The acquired customer relationships has a remaining useful life of seven years. £0.2m (2024: £0.4m) 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 one year.

£4.8m (2024: £5.4m) of the other intangible assets relates to the acquisition of the assets of Access. The acquired brand has a remaining useful life of eleven years. The acquired customer relationships have a remaining useful life of seven 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 1 January 2025 (Restated*)	**600**	**13,956**	**168**	**21,494**	**48,059**	**84,277**
Acquisitions	**-**	-	-	**6**	-	**6**
Additions	-	**1,429**	-	**327**	**1,270**	**3,026**
Disposals	**-**	**(363)**	**-**	**(1,476)**	**(1,719)**	**(3,558)**
Exchange movements	-	**(19)**	-	**(36)**	**(60)**	**(115)**
At 31 December 2025	**600**	**15,003**	**168**	**20,315**	**47,550**	**83,636**
Accumulated depreciation						
At 31 December 2024	-	**11,577**	**124**	**10,060**	**17,023**	**38,784**
At 1 January 2025 (Restated*)	-	**11,577**	**124**	**10,060**	**17,020**	**38,781**
Charge for the year	-	**1,245**	**19**	**2,230**	**4,374**	**7,868**
Disposals	**-**	**(363)**	**-**	**(1,272)**	**(1,435)**	**(3,070)**
Exchange movements	-	**(14)**	-	**(3)**	**(17)**	**(34)**
At 31 December 2025	-	**12,445**	**143**	**11,015**	**19,942**	**43,545**
Net book value						
At 31 December 2024	600	2,379	44	11,434	31,039	45,496
At 31 December 2025	**600**	**2,558**	**25**	**9,300**	**27,608**	**40,091**

*This note has been restated to correct the brought-forward balances of the cost and accumulated depreciation of right-of-use assets. These corrections had no impact on the net book value as at 31 December 2024.

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

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 (2024: £0.9m).

30 Investment Property

	2025	2024
	£000	£000
Fair value at 1 January	**128,563**	130,813
Additions - acquisitions	**200**	-
Disposals	**(11,293)**	(2,541)
Fair value gains	**4,431**	291
Fair value at 31 December	**121,901**	128,563

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 2025 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 2025. There has been no change in valuation technique during the year.

The value of the investment property on a historical cost basis is £117.9m (2024: £129.5m).

Included within investment property are long leasehold properties with a net book value of £18.8m (2024: £16.4m).

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

	2025 £000	2024 £000
Financial assets at fair value through profit or loss		
Equity securities		
- listed	**404,607**	366,055
- unlisted	**117,413**	99,747
Debt securities		
- government bonds	**277,880**	266,436
- listed	**270,627**	255,209
Structured notes	**159,777**	123,912
Investment contract assets	**444,446**	447,728
Derivative financial instruments:		
- forwards	**2,513**	4,149
	1,677,263	1,563,236
Financial assets at amortised cost		
Other loans	**14**	14
	14	14
Total investments	**1,677,277**	1,563,250

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
2025				
Fair value at 1 January	**1,444,681**	**14**	**118,555**	**1,563,250**
Additions at cost	**380,343**	-	**14,850**	**395,193**
Disposal proceeds	**(337,719)**	-	**(17,928)**	**(355,647)**
Transfers	**1,533**	-	-	**1,533**
Fair value gains	**70,827**	-	**3,930**	**74,757**
Exchange losses	**(1,809)**	-	-	**(1,809)**
Fair value at 31 December	**1,557,856**	**14**	**119,407**	**1,677,277**
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
Redemptions and repayments	-	(21)	-	(21)
Exchange losses	(21,510)	-	-	(21,510)
Fair value at 31 December	1,444,681	14	118,555	1,563,250

Fair value gains/(losses) through profit or loss in the unrestricted fund excludes £0.3m fair value loss (2024: £2.2m 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 £2.3m (2024: gain of £8.8m) 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.

	2025			2024		
	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)	**168,417**	**1,742**	-	134,525	1,098	-
Forwards (US Dollar)	**(9,793)**	**725**	-	35,902	-	215
Hedge derivatives						
Foreign exchange contracts						
Forwards (Australian dollar)	**51,554**	**20**	**177**	53,551	1,992	-
Forwards (Canadian dollar)	**81,488**	**26**	**303**	64,573	1,059	-
	291,666	**2,513**	**480**	288,551	4,149	215

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 was recognised in the consolidated statement of financial activities in the prior year.

34 Investment in associate

On 16 July 2025, L&W acquired the remaining 80% of its associate undertaking De Novo Risk Solutions Limited, obtaining control of the entity. De Novo Risk Solutions Limited is an unlisted company incorporated in the United Kingdom. See note 35 for further details of the business combination. The process of derecognising the investment in associate has resulted in the recognition of a profit of £17,000 within the consolidated statement of financial activity.

35 Acquisition of subsidiary

Acquisition of additional interest in L&W

On 30 April 2025, Benefact Broking & Advisory Holdings limited acquired the remaining 34.9% of the ordinary share capital of L&W. 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. A cash consideration of £12.7m was paid to the non-controlling interest shareholders, with £6.35m payable 30 April 2025, and the remaining balance payable 1 April 2026. The difference of £1.3m between the consideration and the carrying value of the interest acquired has been debited to non-charitable trading reserves.

Acquisition of additional interest in De Novo Risk Solutions Limited

On 16 July 2025, L&W acquired the remaining 80% of the issued ordinary share capital of De Novo Risk Solutions Limited (De Novo) for a consideration of £0.5m, hence obtaining control of the entity. Prior to this date, the trading subsidiaries owned 20% of De Novo shares and the investment was accounted for as an associate. Goodwill of £0.5m was recognised on this acquisition.

Acquisition of M Ladbrook Limited

On 26 February 2025, Access Underwriting Limited acquired 100% of the ordinary share capital of M Ladbrook Limited (Ladbrook) for a consideration of £0.9m. Ladbrook 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.

Acquisition of Severn Bay Corporate Solutions Limited

On 28 November 2025, L&W acquired 100% of the ordinary share capital of Severn Bay Corporate Solutions Limited (Severn Bay) for a consideration of £1.2m. Severn Bay 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.

36 Debtors

	2025	2024
	£000	£000
(a) Amounts falling due within one year		
Trade debtors	**1,087**	407
Other debtors	**36,728**	28,172
Amounts due from related parties	**2,179**	3,194
Reinsurers' contract assets	**111,619**	130,213
Accrued rent and interest	**9,431**	8,953
Current tax recoverable	**2,278**	3,154
Other prepayments and accrued income	**13,179**	11,473
	176,501	185,566
(b) Amounts falling due after one year		
Other debtors	**4,194**	4,081
Amounts due from related parties	**-**	921
Reinsurers' contract assets	**123,256**	109,240
Deferred tax assets	**5,953**	7,814
Other prepayments and accrued income	**1,399**	1,728
	134,802	123,784
Total debtors	**311,303**	309,350

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

Included within other debtors is £1.0m (2024: £0.9m) classified as contract assets and £1.7m classified as receivables (2024: £2.8m).

(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 £1,000 (2024: £5,000) in respect of financial assets.

37 Cash at bank and in hand

	2025			2024		
	Unrestricted funds	**Endowment funds**		Unrestricted funds	Endowment funds	
	£000	**£000**	**Total £000**	£000	£000	Total £000
Short-term bank deposits	**74,389**	**2,787**	**77,176**	75,971	617	76,588
Cash at bank and in hand	**98,051**	**-**	**98,051**	94,144	-	94,144
	172,440	**2,787**	**175,227**	170,115	617	170,732

Included within short-term bank deposits of the trading subsidiaries are cash deposits of £1.6m (2024: £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 (2024: £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 £13.8m (2024: £9.2m) pledged as collateral by way of cash calls from reinsurers.

38 Creditors

	2025	2024
	£000	£000
(a) Amounts falling due within one year		
Other creditors	**73,345**	69,696
Derivative liabilities	**480**	215
Corporation tax	**1,951**	908
Accruals and deferred income	**71,104**	59,641
	146,880	130,460
(b) Amounts falling due after one year		
Other creditors	**445**	490
Accruals and deferred income	**2,815**	1,675
	3,260	2,165

Deferred income arises from the operations of the trading subsidiaries. Included within accruals and deferred income falling due within one year is £2.8m (2024: £2.7m) classified as contracts liabilities.

39 Provisions for liabilities

	Notes	2025	2024
		£000	£000
Provisions for liabilities		**8,360**	9,707
Deferred tax liabilities		**45,215**	42,299
Technical provisions	50	**746,974**	730,212
Life business technical provisions		**370**	385
Investment contract liabilities		**659,299**	627,312
		1,460,218	1,409,915

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 provisions £000	Other provisions £000	Contingent consideration £000	Total £000
At 1 January 2025	2,200	4,513	2,994	9,707
Additional provisions	4,757	218	554	5,529
Used during year	(4,770)	(95)	-	(4,865)
Not utilised	-	(1,296)	(718)	(2,014)
Exchange differences	-	3	-	3
At 31 December 2025	2,187	3,343	2,830	8,360
Current	2,187	325	193	2,705
Non-current	-	3,018	2,637	5,655

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.

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

	2025	2024
	£000	£000
At 1 January	**34,485**	32,192
Charged to net income/(expenditure)	**3,844**	1,629
Credited to net income/(expenditure) - resulting from reduction in tax rate	**-**	(1)
Charged to other recognised gains/(losses)	**940**	276
Transfer on acquisition of subsidiary	**2**	20
Exchange differences	**(9)**	369
At 31 December	**39,262**	34,485

	2025	2024
	£000	£000
Deferred tax assets included in debtors	**5,953**	7,814
Deferred tax liabilities included in provisions for liabilities	**(45,215)**	(42,299)
Net provision for deferred tax	**(39,262)**	(34,485)
Deferred tax is provided as follows:		
Unrealised investment gains	**(41,783)**	(35,568)
Retirement benefit obligations	**(3,640)**	(3,305)
Depreciation in excess of capital allowances	**(2,316)**	(3,275)
Other timing differences	**8,477**	7,663
Net provision for deferred tax	**(39,262)**	(34,485)

Included in the above are unused tax losses of £9.5m (2024: £9.3m) 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 £1.5m (2024: £2.6m 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

	2025	2024
	£000	£000
Investment contract liabilities	**659,299**	627,312
	659,299	627,312

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 and are classified as level 2 liabilities.

40 Subordinated liabilities

	2025	2024
	£000	£000
6.3144% EUR 30m subordinated debt	26,835	25,112
	26,835	25,112

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. The next triennial actuarial valuation is as at 31 December 2025 and has until March 2027 to be completed. No contributions are expected to be paid by the Group in 2026. No contribution is expected to be paid by EIO plc in 2026.

Actuarial valuations were reviewed and updated by an actuary at 31 December 2025 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 £81.7m. 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.

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 (2024: £nil).

The actuarial valuation for the LBSD plan was reviewed and updated by an actuary at 31 December 2025. As LBSD does not have an unconditional right to a refund of the surplus in the scheme the recognisable surplus has been restricted by £2.5m in accordance with FRS 102.

In the current year, actuarial gains arising from changes in financial assumptions of £4.9m (2024: actuarial gains of £28.1m) have been recognised in the statement of financial activities. This is primarily due to gains from a 0.05% increase in the discount rate, along with further gains due to a decrease in inflation. In the prior year, these losses resulted from a 0.97% change in the discount rate, partially offset by a loss due to an increase in inflation.



Experience losses of £0.9m have been recognised in the current year (2024: losses of £0.2m). In the current year, this is predominantly due to actual inflation exceeding the inflation assumptions. In the prior year, the experience loss was predominantly due to actual inflation exceeding the inflation assumptions. A review and update to certain demographic assumptions resulted in an actuarial loss of £0.9m (2024: £0.5m 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 2025, the Trustees have continued to develop the investment strategy to strengthen the resilience of the funding position to downside interest rate and inflation risks.

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.

	2025	2024
	£000	£000
The amounts recognised in the balance sheet are determined as follows:		
Present value of funded obligations	**(215,314)**	(217,099)
Fair value of plan assets	**318,186**	307,955
	102,872	90,856
Restrictions on asset recognised	**(84,162)**	(73,304)
Net asset in the balance sheet	**18,710**	17,552
The following is the analysis of the net pension asset for financial reporting purposes:		
Net pension asset	**18,710**	17,552
	18,710	17,552

	2025 £000	2024 £000
The amounts recognised in the consolidated statement of financial activities are as follows:		
Current service cost	**208**	255
Administration cost	**881**	755
Interest income on plan assets	**(16,550)**	(13,989)
Interest expense on scheme liabilities	**11,608**	10,794
Effect of interest on asset ceiling	**4,013**	2,319
Past service cost	**-**	79
Total, included in expenditure arising from trading activities	**160**	213
The amounts recognised in actuarial gains/(losses) on retirement benefits are as follows:		
Return on plan assets, excluding interest income	**4,985**	(11,612)
Experience losses on liabilities	**(941)**	(211)
(Losses)/gains from changes in demographic assumptions	**(942)**	536
Gains from changes in financial assumptions	**4,928**	28,075
Change in asset restriction	**(6,845)**	(19,452)
	1,185	(2,664)

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

	2025 £000	2024 £000
Plan assets		
At 1 January	**307,955**	316,165
Interest income	**16,550**	13,989
Return on plan assets, excluding interest income	**4,985**	(11,612)
Pension benefits paid and payable	**(10,556)**	(10,473)
Contributions paid	**133**	641
Administrative expenses	**(881)**	(755)
At 31 December	**318,186**	307,955
Defined benefit obligation		
At 1 January	**217,099**	244,844
Current service cost	**208**	255
Past service cost	**-**	79
Interest cost	**11,608**	10,794
Pension benefits paid and payable	**(10,556)**	(10,473)
Experience losses on liabilities	**941**	211
Losses/(gains) from changes in demographic assumptions	**942**	(536)
Gains from changes in financial assumptions	**(4,928)**	(28,075)
At 31 December	**215,314**	217,099
Asset ceiling		
At 1 January	**73,304**	51,533
Effect of interest on the asset ceiling	**4,013**	2,319
Change in asset ceiling	**6,845**	19,452
At 31 December	**84,162**	73,304



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

	2025	2024
	%	%
Discount rate	**5.53**	5.47
Inflation (RPI)	**2.97**	3.25
Inflation (CPI)	**2.57**	2.80
Future salary increases	**3.78**	3.99
Future increase in pensions in deferment	**3.05**	3.25
Future average pension increases (RPI)	**2.86**	3.08
Future average pension increases (CPI)	**2.01**	2.10

Mortality rate	2025	2024
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**	23.8
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**	24.8

Plan assets are as follows:	2025	2024
	£000	£000
Cash and other*	**9,167**	7,336
Equity instruments		
UK quoted	**22,339**	19,796
Overseas quoted	**27,182**	28,063
	49,521	47,859
Liability driven investments - unquoted	**88,957**	86,329
Debt instruments		
UK public sector quoted - fixed interest	**17,286**	13,833
UK public sector quoted - index linked	**1,541**	2,002
UK non-public sector quoted - fixed interest	**84,953**	90,361
UK quoted - index-linked	**12,970**	18,638
Overseas quoted	**3,106**	3,171
	119,856	128,005
Derivative financial instruments - unquoted	**14,547**	(592)
Property	**35,020**	37,897
Other	**1,118**	1,121
	318,186	307,955

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



The actual return on pension plan assets was a gain of £21.5m (2024: gain of £2.4m).

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:

	2025	2024
	£000	£000
Present value of unfunded obligations and net obligations in the balance sheet	**4,152**	4,332
Movements in the net obligations recognised in the balance sheet are as follows:		
At 1 January	**4,332**	4,801
Total expense charged to net income	**228**	209
Net actuarial gains, recognised in other recognised gains/(losses)	**(194)**	(495)
Benefits paid	**(214)**	(183)
At 31 December	**4,152**	4,332
The amounts recognised through net income/(expenditure) are as follows:		
Interest cost	**228**	209
Total, included in employee benefits expense	**228**	209

The weighted average duration of the net obligations at the end of the reporting period is 8.5 years (2024: 9.0 years).

The actuarial gain recognised in the current year has been driven by a £0.3m actuarial gain caused by actual experience of the pension scheme differing from actuarial assumptions. This has been partially offset by an actuarial loss of £0.1m arising from a 0.21% increase in the medical cost inflation assumption. In the prior year, an actuarial gain of £0.5m was recognised as a result of a increase in the discount rate. This was partially offset by an actuarial loss of £0.1m arising from a 0.12% increase in the medical cost inflation assumption.

The principal actuarial assumptions were as follows:	**2025**	2024
	%	%
Discount rate	**5.52**	5.47
Medical cost inflation	**7.47**	7.26

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 1 January 2025	21,829	4,110	119,212	-	525,453	17,753	688,357
Income	1,282	2,392	2,620	-	851,756	-	858,050
Gift aid paid to charity parent	24,000	-	-	-	(24,000)	-	-
Expenditure	(26,177)	(2,453)	(421)	-	(827,739)	-	(856,790)
Fair value gains on investments	-	-	3,930	-	45,590	-	49,520
Taxation	-	-	(145)	-	(12,642)	-	(12,787)
Net reserve transfers	2,321	674	(2,995)	-	-	-	-
Currency translation differences	-	-	-	-	-	(911)	(911)
Gains on net investment hedges	-	-	-	-	-	2,303	2,303
Actuarial gains on retirement benefit obligations	-	-	-	-	1,379	-	1,379
Profit on disposal of business	-	-	-	-	17	-	17
Tax attributable to other recognised (losses)/gains	-	-	-	-	(344)	(705)	(1,049)
Non-controlling interests	-	-	-	-	(9,370)	-	(9,370)
Acquisition of non-controlling interest	-	-	-	-	(895)	-	(895)
Fund balance at 31 December 2025	23,255	4,723	122,201	-	549,205	18,440	717,824

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 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 gains/ (losses)	-	-	-	-	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

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 2025	5,436	12,317	17,753
Losses on currency translation differences	(910)	-	(910)
Gains on net investment hedges	-	2,303	2,303
Attributable tax	-	(706)	(706)
At 31 December 2025	4,526	13,914	18,440
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

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 2025 £000	Cashflows £000	Acquisition of subsidiary £000	New leases £000	Foreign exchange movements £000	Other non-cash changes £000	At 31 December 2025 £000
Cash and cash equivalents	170,732	3,982			513		175,227
Loans falling due after more than one year	(25,185)	73	(7)		(1,404)	(319)	(26,842)
Finance lease obligations	(32,973)	3,769		(1,270)	60	225	(30,189)
Total	112,574	7,824	(7)	(1,270)	(831)	(94)	118,196

45 Non-controlling interests

Non-controlling interests comprise 96.6% (2024: 95.6%) of the 106,450,000 (2024: 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 2025	11,263	101,815	113,078
Purchase of non-controlling interest	(11,801)	1,050	(10,751)
Subsidiary profit attributable to non-controlling interest	538	-	538
At 31 December 2025	-	102,865	102,865

	L&W	NCIPs	Total
	£000	£000	£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

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%.

On 30 June 2025, Benefact Group acquired the remaining 34.9% of the issued ordinary share capital of L&W. 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	Motor vehicles	Other equipment	Total
	£000	£000	£000	£000
Cost				
At 31 December 2024 (Restated*)	**45,730**	**1,109**	**1,220**	**48,059**
Additions	**757**	**513**	-	**1,270**
Disposals	**(340)**	**(660)**	**(719)**	**(1,719)**
Exchange differences	**(60)**	**-**	**-**	**(60)**
At 31 December 2025	**46,087**	**962**	**501**	**47,550**
Depreciation				
At 31 December 2024 (Restated*)	**15,954**	**507**	**559**	**17,020**
Charge for the period	**3,980**	**199**	**195**	**4,374**
Disposals	**(326)**	**(391)**	**(718)**	**(1,435)**
Exchange differences	**(17)**		-	**(17)**
At 31 December 2025	**19,591**	**315**	**36**	**19,942**
Net book value at 31 December 2025	**26,496**	**647**	**465**	**27,608**
Net book value at 31 December 2024	29,776	602	661	31,039

*This note has been restated to correct the brought-forward cost and accumulated depreciation balances. These adjustments had no impact on the net book value at 31 December 2024.

Set out below are the carrying amounts of lease obligations:

	2025	2024
	£000	£000
Current	2,697	3,172
Non-Current	27,492	29,800
	30,189	32,972

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

	2025	2024
	£000	£000
Depreciation expense of right-of-use assets	4,374	4,660
Interest expense on lease liabilities	1,839	1,573
Expenses relating to low value leases	8	57
	6,221	6,290

The trading subsidiaries had total cash outflows for leases, including interest paid, of £3.8m (2024: £4.6m). 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:

	2025	2024
	£000	£000
Within 1 year	6,511	7,601
Between 1 & 5 years	15,655	19,084
After 5 years	10,020	9,936
	32,186	36,621

47 Financial commitments

Capital commitments

At the year end, the Benefact Trust group of companies had capital commitments of £0.6m (2024: £0.4m) relating to development costs. The charity had no capital commitments in the current and prior year.

The trading subsidiaries had no lease contract commitments for right-of-use assets that had not commenced at 31 December 2025.

48 Related undertakings

The charity's interest in related undertakings at 31 December 2025 is as follows:

Company	Company Registration Number	Share Capital	2025 Holding of shares by Charity	2025 Holding of shares by Subsidiary	2024 Holding of shares by Charity	2024 Holding of shares by Subsidiary	Activity
Subsidiary undertakings Incorporated in the United Kingdom							
Access Underwriting Limited [15]	03880990	Ordinary	-	100%	-	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	-	100%	-	65.07%	Insurance agents and brokers
Cheviot Insurance Services Ltd [1] [5]	09303679	Ordinary	-	100%	-	100%	Insurance agents and brokers
Clearbroking Ltd [35]	08024522	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Cleddau Holdings Limited [7]	06537988	Ordinary	-	-	-	65.07%	Investment holding company
Cleddau Insurance Services Limited [7]	06542667	Ordinary	-	-	-	65.07%	Insurance agents and brokers
De Novo Risk Solutions Limited [359]	10246240	Ordinary	-	100%	-	20%	Insurance agents and brokers
Ecclesiastical Financial Advisory Services Limited [15]	2046087	Ordinary	-	100%	-	100%	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	-	3.37%	-	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%	Investment management services

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 147.

The charity's interest in related undertakings at 31 December 2025 is as follows:

Company	Company Registration Number	Share Capital	2025 Holding of shares by Charity	2025 Holding of shares by Subsidiary	2024 Holding of shares by Charity	2024 Holding of shares by Subsidiary	Activity
Subsidiary undertakings							
Incorporated in the United Kingdom							
EdenTree Asset Management Limited [1]	11923964	Ordinary	-	100%	-	100%	Asset management
EdenTree Holdings Limited [15]	14496067	Ordinary	-	100%	-	100%	Investment holding company
EdenTree Investment Management Limited [1]	2519319	Ordinary	-	100%	-	100%	Asset management
E.I.O. Trustees Limited [14]	0941199	Ordinary	-	100%	-	100%	Trustee company
G.D. Anderson & Co. Limited [15]	00776446	Ordinary	-	100%	-	100%	Insurance agents and brokers
Grout Insurance Brokers Limited [15]	05127052	Ordinary	-	100%	-	100%	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
Lycett Holdings Limited [15]	05866203	Ordinary	-	100%	-	100%	Investment holding company
Lycetts Risk Management Services Limited [15]	10906990	Ordinary	-	100%	-	100%	Risk management services
Lloyd & Whyte Community Broking Limited [35]	04640518	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Lloyd & Whyte (Financial Services) Limited [35]	02092560	Ordinary	-	100%	-	65.07%	Financial intermediary
Lloyd & Whyte Group Limited [3 5]	01143899	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Lloyd & Whyte Limited [35]	03686765	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
M Ladbrook Ltd [158]	05711191	Ordinary	-	100%	-	-	Insurance agents and brokers
Membership Plans Limited [35]	06322047	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Mi Speciality Limited [3]	07313009	Ordinary	-	100%	-	65.07%	Insurance
Naturesave Policies Limited [35]	02797137	Ordinary	-	100%	-	65.07%	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 147.

The charity's interest in related undertakings at 31 December 2025 is as follows:

Company	Company Registration Number	Share Capital	2025 Holding of shares by Charity	2025 Holding of shares by Subsidiary	2024 Holding of shares by Charity	2024 Holding of shares by Subsidiary	Activity
Subsidiary undertakings							
Incorporated in the United Kingdom							
Robertson-McIsaac Limited [13]	03544899	Ordinary	-	100%	-	100%	Insurance agents and brokers
SEIB Insurance Brokers Limited [1 5]	06317314	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Severn Bay Corporate Solutions [5 6 10]	07254924	Ordinary	-	100%	-	-	Insurance agents and brokers
Specialist Broking Retail Limited [3 5]	10301653	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Stride Limited [7]	01122247	Ordinary	-	-	-	65.07%	Insurance agents and broke
The Medical Insurance Advisory Bureau Limited [3 5]	07217140	Ordinary	-	100%	-	65.07%	Insurance agents and brokers
Incorporated in Australia							
Ansvar Insurance Limited [2]	007216506	Ordinary	-	100%	-	100%	Insurance
Ansvar Insurance Services Pty Limited [2 12 7]	162612286	Ordinary	-	-	-	100%	Dormant company
Ansvar Risk Management Services Limited [2 7 14]	623695054	Ordinary	-	-	-	100%	Dormant company
Associated undertakings							
Incorportated in the United Kingdom							
Provenance IB Ltd [3 11]	11131702	Ordinary	-	45%	-	45%	Insurance agents and broke
Virtuso Ins Group Ltd [7]	13800790	Ordinary	-	-	-	45%	Insurance agents and broke

[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] *Registered office: 11 Drake Walk Brigantine Place, Cardiff, CF10 4AN*

[7] *Entity was dissolved within the year*

[8] *On 26 February 2025, Access Underwriting Limited acquired the entire issued share capital of M Ladbrook Limited.*

[9] *On 16 July 2025, L&W Limited acquired the remaining issued share capital of De Novo Risk Solutions Limited.*

[10] *On 28 November 2025, L&W acquired the entire issued share capital of Severn Bay Corporate Solutions Limited.*

[11] *Exempt from audit under s477 of the Companies Act 2006*

[12] *Exempt from audit*

[13] *Entity was dissolved on 31 March 2026*

[14] *The comparative disclosure has been amended to reflect the correct dissolution date of 20 February 2025.*

On 30 April 2025, Benefact Broking & Advisory Holdings Limited acquired the remaining issued share capital of L&W.

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.

	2025 £000	2024 £000
Income from transactions with other related parties	**1,395**	649
Expenditure arising from transactions with other related parties	**(2,322)**	(506)
Amounts owed by other related parties	**2,179**	4,115

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 **£000**	**Level 2** **£000**	**Level 3** **£000**	**Total** **£000**
At 31 December 2025				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	**272,026**	**-**	**130,428**	**402,454**
Debt securities	**450,729**	**96,630**	**1,149**	**548,508**
Structured notes	**-**	**159,777**	**-**	**159,777**
Funeral plan investments	**-**	**444,446**	**-**	**444,446**
Derivatives	**-**	**2,513**	**-**	**2,513**
Total financial assets at fair value through profit or loss	**722,755**	**703,366**	**131,577**	**1,557,698**



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 2024 (Restated*)				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	247,342	-	99,747	347,089
Debt securities	411,686	108,849	1,110	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	659,028	684,638	100,857	1,444,523

*The fair value hierarchy disclosures have been restated to reclassify debt securities of £108.2m from Level 1 to Level 2 and £1.1m from Level 1 to Level 3. This reflects a change in approach that better evidences input observability and provides a more accurate classificiation.

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	
		2025	2024
Increase in price-to-tangible book ratio	+10%	**12,000**	9,884
Decrease in price-to-tangible book ratio	-10%	**(12,000)**	(9,884)
Increase in illiquidity discount	+5%	**(7,059)**	(5,814)
Decrease in illiquidity discount	-5%	**7,059**	5,814



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 and 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.

	At 31 December 2025			At 31 December 2024		
	Debt securities	**Reinsurance debtors**	**Cash***	Debt securities	Reinsurance debtors	Cash*
	£000	**£000**	**£000**	£000	£000	£000
AAA	**198,696**	**-**	**-**	216,002	-	-
AA	**171,341**	**15,076**	**66,730**	149,341	11,087	67,039
A	**101,387**	**16,906**	**59,456**	87,153	13,242	69,670
BBB	**66,392**	**-**	**-**	52,830	-	-
Below BBB	**1,152**	**7**	**24**	5,430	-	10
Not rated	**9,540**	**3,691**	**8**	10,889	3,058	5
	548,508	**35,680**	**126,218**	521,645	27,387	136,724

*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.

	2025	2024
	£000	£000
Insurance Debtors		
Current	**150,126**	115,847
0-30 days	**16,409**	18,459
30-90 days	**2,512**	19,157
More than 90 days	**9,784**	15,826
	178,831	169,289

(b) Credit risk (continued)

Reinsurance Debtors	2025 £000	2024 £000
Current	**29,767**	19,107
0-30 days	**120**	1,560
30-90 days	**2,149**	1,439
More than 90 days	**3,644**	5,281
	35,680	27,387

Amounts arising from expected credit losses on financial assets are as follows:

	2025 £000	2024 £000
Balance at 1 January	**5**	2
Movement in the year	**(4)**	3
Balance at 31 December	**1**	5

(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:

	2025 £000		2024 £000
UK	**275,097**	UK	232,802
Europe	**115,005**	Europe	98,839
US	**12,352**	US	15,448
Total	**402,454**	Total	347,089

(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:

	2025		2024
	£000		£000
Can $	**89,762**	Can $	81,992
Euro	**86,035**	Euro	70,724
Aus $	**63,437**	Aus $	57,248
USD $	**9,629**	USD $	13,691
HKD $	**3**	HKD $	36

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 follov

	Maturing:			
	Within 1 year	Between 1 & 5 years	After 5 years	Total
	£000	£000	£000	£000
At 31 December 2025				
Life business provision	**39**	**135**	**196**	**370**
At 31 December 2024				
Life business provision	44	139	202	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**	**2025**	2024	**2025**	2024
		£000	£000	**£000**	£000
Interest rate risk	-100 basis points	**6,674**	4,012	**14**	(129)
	+100 basis points	**(6,142)**	(3,594)	**(9)**	109
Currency risk	-10%	**5,868**	5,398	**19,827**	17,649
	+10%	**(4,801)**	(4,417)	**(16,222)**	(14,440)

(f) Market risk sensitivity analysis (continued)

		Potential increase/(decrease) increase in net income/(expenditure)		Potential increase/ (decrease) in funds	
Variable	**Change in variable**	**2025 £000**	2024 £000	**2025 £000**	2024 £000
Equity price risk	+/- 10%	**30,184**	26,032	**-**	-

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 2026, and its SFCR will be made available on its website shortly after.

	2025 £000	2024 £000
Solvency II Own Funds (unaudited)	**651,953**	618,675
Solvency Capital Requirement (unaudited)	**262,383**	257,574
Coverage Ratio (unaudited)	**248%**	240%

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.

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
2025							
United Kingdom and Ireland	Gross	**337,336**	**96,932**	**29,185**	**5,487**	**-**	**468,940**
	Net	**167,873**	**108,236**	**14,163**	**1,015**	**-**	**291,287**
Australia	Gross	**48,106**	**39,591**	**1,227**	**51**	**-**	**88,975**
	Net	**9,917**	**18,811**	**1,207**	**9**	**-**	**29,944**
Canada	Gross	**67,745**	**28,118**	**-**	**-**	**-**	**95,863**
	Net	**40,078**	**23,891**	**-**	**-**	**-**	**63,969**
Total	Gross	**453,187**	**164,641**	**30,412**	**5,538**	**-**	**653,778**
	Net	**217,868**	**150,938**	**15,370**	**1,024**	**-**	**385,200**
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

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 147.



IV. Insurance revenue

	General insurance £000	Life insurance £000	Total £000
For the year ended 31 December 2025			
Contracts not measured under PAA			
Amounts relating to the changes in the LRC			
Expected incurred claims and other expenses after loss component allocation	**-**	**(715)**	**(715)**
Change in the risk adjustment for non-financial risk for the risk expired after loss component	**57**	**31**	**88**
CSM recognised in net income/(expenditure) for the services provided	**-**	**684**	**684**
	57	**-**	**57**
Contracts measured under PAA	**645,272**	**-**	**645,272**
Total insurance revenue	**645,329**	**-**	**645,329**
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



V. Insurance services expenses

	General insurance £000	Life insurance £000	Total £000
For the year ended 31 December 2025			
Incurred claims and benefits excluding investment components	**310,944**	**-**	**310,944**
Insurance acquisition cash flows amortisation	**134,818**	**-**	**134,818**
Changes that relate to past service	**(10,828)**	**-**	**(10,828)**
Losses on onerous contracts and reversal of those losses	**(6)**	**-**	**(6)**
Changes that relate to current service	**-**	**36**	**36**
Total insurance service expenses	**434,928**	**36**	**434,964**
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



VI. Insurance liabilities and reinsurance assets

	2025 £000	2024 £000
Gross		
General Insurance contract liabilities for incurred claims	**654,773**	635,317
General Insurance contract liabilities for remaining coverage	**92,201**	94,895
Life insurance contract liabilities for remaining coverage	**370**	385
Total gross insurance contract liabilities	**747,344**	730,597
Reinsurance assets		
Reinsurance contract assets for incurred claims	**203,929**	205,518
Reinsurance contract assets for remaining coverage	**30,946**	33,935
Total reinsurers' share of insurance liabilities	**234,875**	239,453
Net		
General insurance contract liabilities for incurred claims	**450,844**	429,799
General insurance contract assets for remaining coverage	**61,255**	60,960
Life insurance contract liabilities for remaining coverage	**370**	385
Total net insurance liabilities	**512,469**	491,144
Gross insurance liabilities		
Current	**277,060**	280,279
Non-current	**470,284**	450,318
Reinsurance assets		
Current	**111,619**	130,213
Non-current	**123,256**	109,240

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			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 income 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)

	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 2025	94,895	635,317	385	(33,935)	(205,518)	491,144
Insurance revenue	(645,329)	-	-	-	-	(645,329)
Incurred claims and other insurance service expenses	-	310,944	-	-	-	310,944
Changes that relate to current service	-	-	36	-	-	36
Changes that relate to past service	-	(10,828)	-	-	-	(10,828)
Losses on onerous contracts and reversal of those losses	(6)	-	-	-	-	(6)
Insurance acquisition cash flows amortisation	134,818	-	-	-	-	134,818
Insurance service expenses	134,812	300,116	36	-	-	434,964
Insurance service result before reinsurance contracts held	(510,517)	300,116	36	-	-	(210,365)
Allocation of reinsurance premiums	-	-	-	148,118	-	148,118
Recoveries of incurred claims and other insurance service expenses	-	-	-	4,273	(47,866)	(43,593)
Changes that relate to past service	-	-	-	-	(3,994)	(3,994)
Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	(29)	-	(29)
Net expense/(income) from reinsurance contracts	-	-	-	152,362	(51,860)	100,502
Finance expense from insurance contracts issued	-	25,153	-	-	-	25,153
Finance income from reinsurance contracts held	-	-	-	-	(7,939)	(7,939)
Net insurance financial result	-	25,153	-	-	(7,939)	17,214
Total amounts recognised in statement of financial activities	(510,517)	325,269	36	152,362	(59,799)	(92,649)
Exchange differences	(59)	(752)	-	32	461	(318)
Premiums received	657,515	-	-	-	-	657,515
Insurance acquisition cash flows	(149,633)	-	-	-	-	(149,633)
Claims and other directly attributable expenses paid	-	(305,061)	(51)	-	-	(305,112)
Premiums paid	-	-	-	(153,138)	-	(153,138)
Amounts received	-	-	-	-	60,927	60,927
Total cash flows	507,882	(305,061)	(51)	(153,138)	60,927	110,559
Transfer to other items in the balance sheet	-	-	-	3,733	-	3,733
At 31 December 2025	92,201	654,773	370	(30,946)	(203,929)	512,469

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 2024	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
Insurance revenue	**(645,272)**	**-**	**(57)**	**(645,329)**
Losses on onerous contracts and reversal of those losses	-	**37**	**(43)**	**(6)**
Insurance acquisition cash flows amortisation	**134,818**	**-**	**-**	**134,818**
Insurance service expenses	**134,818**	**37**	**(43)**	**134,812**
Total amounts recognised in statement of financial activities	**(510,454)**	**37**	**(100)**	**(510,517)**
Exchange differences	**(63)**	**4**	**-**	**(59)**
Premiums received	**657,515**	**-**	**-**	**657,515**
Insurance acquisition cash flows	**(149,633)**	-	-	**(149,633)**
Total cash flows	**507,882**	**-**	**-**	**507,882**
At 31 December 2025	**89,824**	**1,777**	**600**	**92,201**



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 2024	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
Incurred claims and other insurance service expenses	**295,538**	**15,406**	**310,944**
Changes that relate to past service	**(773)**	**(10,055)**	**(10,828)**
Insurance service expenses	**294,765**	**5,351**	**300,116**
Insurance service result before reinsurance contracts held	**294,765**	**5,351**	**300,116**
Finance expense from insurance contracts issued	**25,153**	-	**25,153**
Net insurance financial result	**25,153**	**-**	**25,153**
Total amounts recognised in statement of financial activities	**319,918**	**5,351**	**325,269**
Exchange differences	**(579)**	**(173)**	**(752)**
Claims and other directly attributable expenses paid	**(305,061)**	**-**	**(305,061)**
Total cash flows	**(305,061)**	**-**	**(305,061)**
At 31 December 2025	**572,202**	**82,571**	**654,773**

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 2024	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
Allocation of reinsurance premiums	**(148,118)**	**-**	**(148,118)**
Recoveries of incurred claims and other insurance service expenses	**(4,273)**	**-**	**(4,273)**
Recoveries of losses on onerous contracts and reversal of those losses	-	**29**	**29**
Net (expense)/income from reinsurance contracts	**(152,391)**	**29**	**(152,362)**
Total amounts recognised in statement of financial activities	**(152,391)**	**29**	**(152,362)**
Exchange differences	**(35)**	**3**	**(32)**
Premiums paid	**153,138**	**-**	**153,138**
Total cash flows	**153,138**	**-**	**153,138**
Transfer to other items in the balance sheet	**(3,733)**	**-**	**(3,733)**
At 31 December 2025	**29,526**	**1,420**	**30,946**

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 2024	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
Recoveries of incurred claims and other insurance service expenses	**36,486**	**11,380**	**47,866**
Changes that relate to past service	**6,863**	**(2,869)**	**3,994**
Net income from reinsurance contracts	**43,349**	**8,511**	**51,860**
Finance income from reinsurance contracts held	**7,939**	-	**7,939**
Net insurance financial result	**7,939**	-	**7,939**
Total amounts recognised in statement of financial activities	**51,288**	**8,511**	**59,799**
Exchange differences	**120**	**(581)**	**(461)**
Amounts received	**(60,927)**	-	**(60,927)**
Total cash flows	**(60,927)**	-	**(60,927)**
At 31 December 2025	**185,368**	**18,561**	**203,929**

(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

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 89% (2024: 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	**2025**	2024
UK and Ireland	**3.8% to 6.1%**	4.6% to 6.2%
Canada	**2.7% to 4.9%**	3.0% to 4.9%
Australia	**4.7%**	4.5%

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**			
		2025		2024	
		Gross	**Net**	Gross	Net
		£000	**£000**	£000	£000
Deterioration in loss ratio	+1%	**(6,449)**	**(3,806)**	(6,232)	(3,634)
Improvement in loss ratio	-1%	**6,449**	**3,806**	6,232	3,634
Increase in net liability for incurred claims excluding risk adjustment	+10%	**(57,217)**	**(38,666)**	(55,792)	(36,304)
Decrease in net liability for incurred claims excluding risk adjustment	-10%	**57,217**	**38,666**	55,792	36,304
Increase in risk adjustment*	+1%	**(5,722)**	**(3,867)**	(6,781)	(4,674)
Decrease in risk adjustment*	-1%	**5,722**	**3,867**	6,781	4,674

* Calculated on undiscounted present value of future cash flows

At 31 December 2025, 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 £14.0m (2024: £13.6m).

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

	2016 £000	2017 £000	2018 £000	2019 £000	2020 £000	2021 £000	2022 £000	2023 £000	2024 £000	2025 £000	Total £000
At end of year	47,402	45,920	44,053	44,230	45,459	47,289	47,599	52,252	51,781	56,174	
One year later	41,631	41,706	37,456	39,842	37,509	47,102	45,575	50,629	48,113		
Two years later	37,740	37,797	32,867	37,243	36,193	45,079	45,547	47,449			
Three years later	36,337	34,818	31,647	39,164	37,579	46,666	46,780				
Four years later	35,217	36,431	32,884	39,248	35,694	46,023					
Five years later	32,993	36,550	31,722	35,836	33,812						
Six years later	33,896	38,618	30,442	35,330							
Seven years later	34,297	37,595	30,011								
Eight years later	33,022	37,172									
Nine years later	34,151										
Current estimate of ultimate claims	34,151	37,172	30,011	35,330	33,812	46,023	46,780	47,449	48,113	56,174	415,015
Cumulative payments to date	(26,171)	(29,272)	(21,754)	(25,806)	(20,615)	(20,496)	(14,791)	(10,209)	(5,430)	(1,619)	(176,163)
Outstanding liability	7,980	7,900	8,257	9,524	13,197	25,527	31,989	37,240	42,683	54,555	238,852
Effect of discounting											(42,515)
Present value											196,337
Discounted liability in respect of earlier years											146,928
Total discounted net liability for liability classes											343,265
Total discounted net liability for non-liability classes, expenses and reinsurance debtors											107,579
Total discounted net liability included in provisions in the balance sheet											450,844



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				
Experience adjustments	157	-	-	157
	157	-	-	157
Insurance service result	157	-	-	157
Finance expense from insurance contracts issuec	(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

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 2025	**332**	**3**	**50**	**385**
Changes that relate to current service				
Experience adjustments	**36**	**-**	**-**	**36**
	36	**-**	**-**	**36**
Insurance service result	**36**	**-**	**-**	**36**
Total amounts recognised in statement of financial activities	**36**	**-**	**-**	**36**
Claims and other directly attributable expenses paid	**(51)**	**1**	**(1)**	**(51)**
Total cash flows	**(51)**	**1**	**(1)**	**(51)**
At 31 December 2025	**317**	**4**	**49**	**370**

(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 2025 and 2024 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.

	2025	2024
Non-Profit Life Business	**3.7% to 6.0%**	3.7% to 6.0%



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 £21.23 per annum (2024: £18.29 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 increased by £0.4m (2024: £2.8m decrease).

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 £0.1m increase (2024: £0.4m increase).

(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	
		2025	2024
Variable		**£000**	£000
Deterioration in mortality	+10%	**(783)**	(857)
Improvement in mortality	-10%	**911**	1,002
Increase in fixed interest/cash yields	+1% pa	**(369)**	(624)
Decrease in fixed interest/cash yields	-1% pa	**398**	771
Worsening of base renewal expense level	+10%	**30**	30
Improvement in base renewal expense level	-10%	**(30)**	(30)
Increase in expense inflation	+1% pa	**64**	68
Decrease in expense inflation	-1% pa	**(51)**	(54)

(v) Maturity analysis

	Within 1 year £000	Between 1 and 5 years £000	After 5 years £000	Total £000
At 31 December 2025				
CSM release after accretion	**6**	**19**	**24**	**49**
At 31 December 2024				
CSM release after accretion	6	18	26	50

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:

	2025 £000	2024 £000
General Insurance		
Gross written premiums	**653,778**	640,601
Change in the gross unearned premium provision	**(8,886)**	(17,406)
General Measurement Model insurance revenue	**57**	-
Insurance revenue	**644,949**	623,195
Net written premiums	**385,200**	379,407
Outward reinsurance premiums written	**268,578**	261,193
Change in the gross unearned premium provision	**(8,886)**	(17,405)
Change in the gross unearned premium provision	**57**	-
Insurance revenue	**644,949**	623,195

	Notes	2025				
		Insurance		Investment return*	Other income and charges	Total
		General	Life			
		£000	£000	£000	£000	£000
Insurance revenue	**50**	**644,949**	**-**	**442**	**(62)**	**645,329**

	Notes	2024				
		Insurance		Investment return*	Other income and charges	Total
		General	Life			
		£000	£000	£000	£000	£000
Insurance revenue	50	623,195	(149)	734	(54)	623,726

*Instalment handling charges

Reference and administrative details

Board of trustees	David Henderson, FCA *Chair* The Revd Canon Sarah Brown, BA Denise Cockrem, MA, FCA Caroline Coombs, BA, MBA Revd Paul Davis, BA Sir Stephen Lamport, GCVO, DL Ian Moore, MA, PhD David Paterson, BA Patrick Rudden, MA Nicholas Sykes, MA
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

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 2025 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 2025; 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 the parent charitable company'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 2025 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 Trustees' Responsibilities Statement, 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.

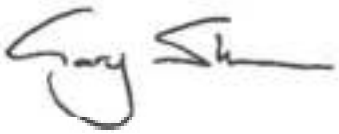
Other required reporting

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.



Gary Shaw (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

07 May 2026