

# IFSL Church House Balanced Equity Income Fund

Annual Report and Audited  
Financial Statements

for the year ended 31 March 2025

## **IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

### **CONTACT INFORMATION**

#### **Authorised Fund Manager (AFM)**

Investment Fund Services Limited (IFSL)  
Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

Investor Support: (0808) 178 9321 (FREEPHONE)

Authorised and regulated by the Financial Conduct Authority.

#### **Directors of IFSL**

Andrew Staley (Non-Executive)  
Allan Hamer  
Dom Clarke  
Helen Redmond  
Sally Helston  
Simon Chalkley - appointed, 27 November 2024  
Katherine Damsell (Independent Non-Executive)  
Sarah Peaston (Independent Non-Executive)

#### **Investment Manager**

Church House Investments Limited  
York House  
6 Coldharbour  
Sherborne  
Dorset  
DT9 4JW

Authorised and regulated by the Financial Conduct Authority.

#### **Trustee**

NatWest Trustee & Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

Authorised and regulated by the Financial Conduct Authority.

#### **Administrator and Registrar (from 1 June 2024)**

SS&C Financial Services International Limited  
New Marlborough House  
55-57 Chorley New Road  
Bolton  
BL1 4QR

#### **Auditor**

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

#### **Administrator and Registrar (to 1 June 2024)**

Investment Fund Services Limited (IFSL)  
Marlborough House  
59 Chorley New Road  
Bolton  
BL1 4QP

## **IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

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## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2025

#### Performance to 31 March 2025

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House Balanced Equity Income Fund	(1.49)%	5.89%	9.16%	39.38%
IA Mixed Investment 40-85% Shares sector	(0.08)%	3.25%	8.52%	44.51%

External Source of Economic Data: Morningstar (B Accumulation - quoted price to quoted price).

The performance figures above are based on quoted prices and will, therefore, differ from the performance in the Comparative Table.

Capital at risk. Past performance is not a reliable indicator of future performance; the value of your investment and any income from it can go down as well as up. Performance returns are based on the net asset value with distributable income reinvested and take account of all ongoing charges, but not entry charges (if applicable). The past performance of this unit class is calculated in sterling.

#### Investment commentary

##### Performance statement

Over the year to 31 March 2025 units in the Fund rose 5.89% ('B' Accumulation shares).

Over this period the IA Mixed Investment 40%-85% Shares sector gained 3.25%. Whilst the Fund does not have a specific benchmark, you may want to consider its performance against this IA sector.

Due to the Fund's focus on investment in UK companies, it may at times have geographic exposure which is different to the average fund in this sector. As a result, the Fund may be expected to underperform or outperform the sector depending upon the performance of UK companies relative to companies in other geographic regions.

##### Market review

The twelve-month period to the end of March saw UK equities higher, the FTSE All-Share Index gained 10.46%, while the FTSE 350 Higher Yield Index gained 15.05%. Banks, Oils and Tobacco make up a significant portion of these market capitalisation weighted indices and were the main drivers of performance. The Fund does not own Oils or Tobaccos. London stocks reversed the trend of underperforming American stocks, as the Trump post-election euphoria wore off in the final quarter of the period. London stocks also outperformed the Euro Stoxx 50 (index of the leading 50 blue-chip European stocks (excl UK)), which rose 6.68%.

The UK Bank Rate was cut by 0.75% over the period. August's cut was the first reduction in over four years. The yield\* on the ten-year Gilt\* rose sharply over the period from 3.9% to 4.7%, mainly as a result of the inaugural Labour budget and wider Trump induced volatility.

##### Fund performance review

The Fund performed admirably during the period, however, as always, there were detractors. Greggs was the weakest performer in relative terms, with the stock falling, as like for like volumes, additional National Insurance contributions and an increase in the national living wage squeeze its margins. Croda International who despite having had a tough year, reported encouraging results. Diageo continues to drag on performance and has seen a material slow down in US sales for its premium spirits range. Inventory build-up and tariff speculation are to blame. GSK, whilst operationally performing superbly, traded lower in share price terms, with the market pricing in a large liability pending the outcome of its Zantac litigation.

Conversely, the Fund benefitted from some excellent performing stocks. Harmony Energy rose 122.4% after finding itself in a bidding war for its assets. BBGI suffered the same fate after being bid for by British Columbia Investment Management, as did Britvic, who were subject to a bid from Carlsberg. As a result, all three positions have been exited. The Funds' financial holdings were the strongest contributors in absolute returns. Barclays and Lloyds Banking Group outperformed, with banking stocks benefitting from the higher interest rate environment. BAE Systems, the world-renowned defence specialist, also contributed strongly to performance as Europeans adjust their defence spending as American isolationism becomes reality.

The overall disposition of the Fund at March month end is shown below. The broad disposition has remained consistent. Companies in the FTSE 100 Index account for the largest exposure.

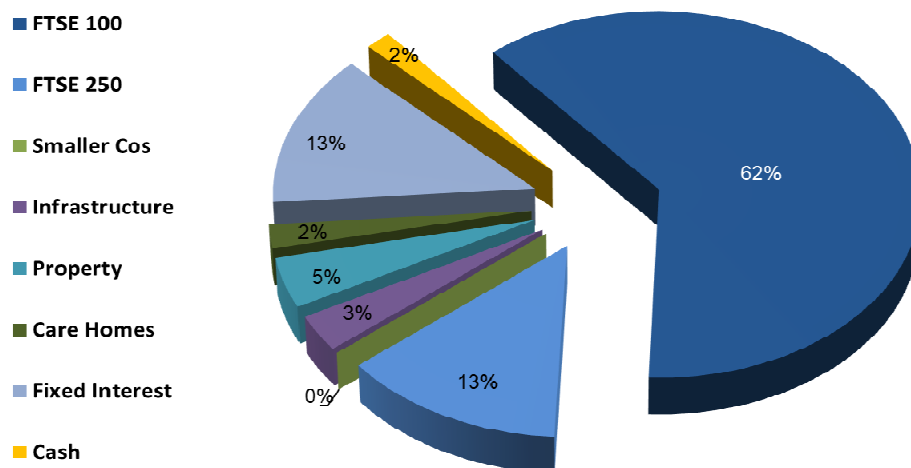
## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2025

#### Investment commentary (continued)

##### Disposition 31 March 2025



Source: Church House

##### Portfolio activity

Aside from the exits previously mentioned, the position in 3i Group was liquidated, which had become expensive on a valuation basis but returned substantial profits for the Fund. We also took profits in BAE Systems, which sees it fall from second to fifth on the top holdings list, and we started to exit our position in Greggs (for the reasons given above). New additions to the Fund include BT Group, a widely recognisable name who under new leadership seem to be running a much leaner operation, IG Group a highly cash generative 'fintech' business, Breedon Group a construction materials group operating in GB, Ireland and now the US, and NB Private Equity a portfolio of high yielding private equity co-investments. RELX and Barclays both move up the list after periods of strong performance.

##### Top 15 holdings

AstraZeneca	5.73%
RELX	5.41%
Unilever	4.63%
Barclays	4.41%
BAE Systems	3.83%
GSK	3.63%
Aviva	3.42%
Sage Group	3.26%
National Grid	3.12%
Lloyds Banking Group	2.78%
BT Group	2.54%
Bunzl	2.52%
Rio Tinto	2.45%
Halma	2.39%
Barclays 3.75% 22.11.30	2.29%

##### Investment outlook

With inflation figures steady, the Bank of England starting to reduce base rates and a stable UK government presiding over affairs, there is plenty of reason for UK optimism. Given an alarming number of geopolitical concerns, not least, the erratic rhetoric of the US president, one would hope that UK equities may reverse the recent trend of outflows. An argument furthered by the continued valuation discount of the UK stock market vs its international peers and evidenced by the high number of bids for UK companies.

As ever, there are potential risks to domestic and global markets. An escalating trade war threatens global growth and could reinvigorate inflation. The continued focus of the Fund will be picking high quality businesses, both domestic and multinational, with strong balance sheets and globally diverse supply chains.

Church House Investments Limited  
23 April 2025

## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 31 March 2025

#### Investment commentary (continued)

##### Explanation of terms\*

Gilts - UK government bonds.

Yield - the income from an investment, usually stated as a percentage of the value of the investment.

#### Distributions

	<u>Year 2025</u>	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>A Income (pence per unit)</u>				
Net income paid 31 May	2.3869	2.3667	2.9401	2.2150
Net income paid 30 November		3.4794	3.2795	2.9250
<u>A Accumulation (pence per unit)</u>				
Net accumulation paid 31 May	4.3362	4.1621	4.9835	3.6380
Net accumulation paid 30 November		6.2043	5.6539	4.8590
<u>B Income (pence per unit)</u>				
Net income paid 31 May	2.6920	2.6405	3.3749	2.5850
Net income paid 30 November		3.8586	3.6045	3.3030
<u>B Accumulation (pence per unit)</u>				
Net accumulation paid 31 May	4.9686	4.7147	5.8131	4.2710
Net accumulation paid 30 November		6.9816	6.2991	5.5450

#### Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
BT Group	1,401,966
Breedon Group	1,277,590
NB Private Equity Partners	1,087,861
IG Group Holdings	880,131
Gresham House Energy Storage Fund	756,579
Whitbread 5.5% 31.05.32	690,270
Rio Tinto	550,067
Croda International	504,296
Schroders	314,268
National Grid	291,592
Other purchases	382,605
Total purchases for the year	8,137,225

<u>Largest sales</u>	<u>Proceeds (£)</u>
Britvic	1,908,912
3i Group	1,848,108
BBGI Global Infrastructure	1,313,880
DS Smith	1,285,833
BAE Systems	994,247
Harmony Energy Income Trust	751,377
Greggs	492,248
Total sales for the year	8,594,605

## **IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

### **AUTHORISED STATUS**

IFSL Church House Balanced Equity Income Fund (the Fund) is an authorised unit trust scheme within the meaning of the Financial Services and Markets Act 2000 and is a UCITS scheme operating under the Collective Investment Schemes Sourcebook (COLL) as issued by the Financial Conduct Authority.

### **GENERAL INFORMATION**

#### **Investment objective**

The investment objective of the Fund is to provide income, which is money paid out from your investment, such as interest from bonds and dividends from shares, and capital growth, which is profit on an investment, over the long term (at least five years).

#### **Investment policy**

The Fund is actively managed, which means the Investment Manager decides which investments to buy or sell and when.

At least 70% of the Fund will be invested in shares, also known as equities, of UK companies (those listed, incorporated or domiciled in the UK).

At least 60% of the Fund will be invested in large companies, which the Investment Manager defines as those with a market capitalisation (the market value of a company's shares) of at least £1bn at the time of initial purchase. Exposure to large companies can be achieved through shares of UK companies, or other asset types, as listed below.

Up to 30% of the Fund may be invested in other assets, including: the shares of companies with a smaller capitalisation (those below £1bn), sterling denominated bonds (which are loans typically issued by companies and governments) other funds and money market instruments (which are short-term loans).

Up to 10% of the Fund may be invested in units in other funds (which could include other funds managed by the Authorised Corporate Director, the Investment Manager or one of their associates).

The Fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the Fund's investment objective.

The Fund does not invest in derivatives.

#### **Assessing performance**

The Investment Association (IA), the trade body for UK investment managers, has created a number of 'sectors', as a way of dividing funds into broad groups with similar characteristics.

The Fund's investment policy puts it in the IA Mixed Investment 40-85% Shares sector. The Fund is not managed to a benchmark, however you may want to assess the Fund's performance compared to the performance of this sector.

Due to the Fund's focus on investment in UK companies, it may at times have geographic exposure which is different to the average fund in the sector. As a result, the Fund may be expected to underperform or outperform the sector depending upon the performance of UK companies relative to companies in other geographic regions. This should be taken into consideration when comparing the performance of the Fund.

#### **Rights and terms attaching to each unit class**

A unit of each class represents a proportional entitlement to the assets of the Fund. The allocation of income and taxation and the rights of each unit in the event the Fund is wound up are on the same proportional basis.

#### **Assessment of value**

The AFM is required to carry out an assessment of value at least annually and publish its findings in a report to investors. The Fund is assessed and reported on, in a composite report which the AFM publishes on the website [www.ifslfunds.com](http://www.ifslfunds.com). The next report is expected to be published by 31 December 2025.

#### **Task force on climate-related financial disclosures**

A statement of the climate-related financial disclosures is published on the website <https://www.ifslfunds.com/tcf-reporting>.

## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### GENERAL INFORMATION

#### Changes in prospectus

On 9 April 2024, the Fund's investment objective and policy was updated to make it clearer to investors how the Fund is managed. This update does not change the way the Fund is managed in any way and is for clarification purposes only.

On 1 June 2024, SS&C Financial Services International Limited became the administrator and registrar of the Fund. Prior to this date the administrator and registrar was IFSL.

On 1 July 2024, the calculation method of the Annual Management Charge (AMC) and Trustee fees was changed from monthly to daily. This change will slightly vary the fees, resulting in either a small increase or decrease dependent upon how the Fund's value changes throughout a calendar month. Our aim is to ensure that the fees paid accurately reflect the amount due and any difference between the two calculation methods is expected to be minimal.

Up to date Key Investor Information Documents, Prospectus and Long Reports and Financial Statements for any fund within the AFM's range, can be requested by the investor at any time.

#### Remuneration policy

In line with the requirements of UCITS V, Investment Fund Services Limited (the AFM) is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under UCITS V. The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages.

The quantitative remuneration disclosures as at 30 September 2024 (the AFM's year end) are set out below:

	Number of identified staff	Total remuneration paid	Fixed remuneration paid	Variable remuneration paid
		£	£	£
<b>Remuneration paid to staff of the AFM who have a material impact on the risk profile of the Fund</b>				
Senior management	9	1,081,108	962,506	118,602
Risk takers and other identified staff	4	462,168	394,482	67,686
<b>Allocation of total remuneration of the employees of the AFM to the Fund</b>				
Senior management	0.04	4,360	3,882	478
Risk takers and other identified staff	0.02	1,864	1,591	273

The total number of staff employed by the AFM was 160 as at 30 September 2024. The total remuneration paid to those staff was £12,940,045, of which £4,003,974 is attributable to the AFM.

The allocation of remuneration to the Fund is based on Assets Under Management (AUM) and the figures disclosed only include remuneration paid to individuals directly employed by the AFM's group. The way these disclosures are calculated may change in the future.



## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.



Allan Hamer  
Director



Helen Redmond  
Director

Investment Fund Services Limited  
3 July 2025

### STATEMENT OF AUTHORISED FUND MANAGER'S RESPONSIBILITIES

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Authorised Fund Manager (AFM) to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Fund and of the net revenue and net capital gains on the scheme property of the Fund for the year.

In preparing those financial statements the AFM is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice relating to UK Authorised Funds issued in May 2014 and amended in June 2017;
- follow United Kingdom Generally Accepted Accounting Practice and applicable accounting standards;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The AFM is required to keep proper accounting records and to manage the Fund in accordance with the COLL rules, the Trust Deed and the Prospectus. The AFM is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The AFM is responsible for ensuring that, to the best of its knowledge and belief, there is no relevant audit information of which the auditor is unaware. It is the responsibility of the AFM to take all necessary steps to familiarise itself with any relevant audit information and to establish that the auditor is aware of that information.

## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE

#### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of IFSL Church House Balanced Equity Income Fund ("the Scheme") for the Year Ended 31 March 2025.**

The Trustee must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units in the Scheme is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Schemes income in accordance with the Regulations and the Scheme documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme.

NatWest Trustee & Depositary Services Limited  
3 July 2025

## **IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

#### **Opinion**

We have audited the financial statements of IFSL Church House Balanced Equity Income Fund ("the Fund") for the year ended 31 March 2025, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 March 2025 and of the net revenue and net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

#### **Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority ("the FCA")**

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

#### **Responsibilities of the AFM**

As explained more fully in the Manager's responsibilities statement set out on page 6, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines 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 Manager is responsible for assessing the Fund'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 Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrator and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. In response to our fraud risk, we tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

**Use of our report**

This report is made solely to the Fund's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP  
Statutory Auditor  
Edinburgh

3 July 2025

**Notes:**

1. The maintenance and integrity of the Investment Fund Services Limited website is the responsibility of the AFM; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## COMPARATIVE TABLE

### A Income units

#### Change in net assets per unit

	Year to 31.03.2025 pence	Year to 31.03.2024 pence	Year to 31.03.2023 pence
Opening net asset value per unit	174.27	169.60	182.73
Return before operating charges*	11.94	12.93	(4.38)
Operating charges	(2.78)	(2.61)	(2.88)
Return after operating charges*	9.16	10.32	(7.26)
Distributions on income units	(5.87)	(5.65)	(5.87)
Closing net asset value per unit	177.56	174.27	169.60

\* after direct transaction costs of:

0.10                      0.01                      0.06

### Performance

Return after charges<sup>A</sup>                      5.26%                      6.08%                      (3.97)%

### Other information

Closing net asset value	43,356,134	42,468,702	42,395,106
Closing number of units	24,418,012	24,369,912	24,997,792
Operating charges	1.55% <sup>B</sup>	1.55% <sup>B</sup>	1.72%
Direct transaction costs	0.06%	0.01%	0.04%

### Prices (pence per unit)

Highest unit price	188.90	176.80	187.40
Lowest unit price	170.10	155.80	152.50

### A Accumulation units

#### Change in net assets per unit

	Year to 31.03.2025 pence	Year to 31.03.2024 pence	Year to 31.03.2023 pence
Opening net asset value per unit	310.64	292.35	303.92
Return before operating charges*	21.22	22.82	(6.70)
Operating charges	(5.00)	(4.53)	(4.87)
Return after operating charges*	16.22	18.29	(11.57)
Distributions on accumulation units	(10.54)	(9.82)	(9.84)
Retained distributions on accumulation units	10.54	9.82	9.84
Closing net asset value per unit	326.86	310.64	292.35

\* after direct transaction costs of:

0.19                      0.03                      0.11

### Performance

Return after charges<sup>A</sup>                      5.22%                      6.26%                      (3.81)%

### Other information

Closing net asset value	2,508,155	2,454,267	2,557,237
Closing number of units	767,356	790,078	874,713
Operating charges	1.55% <sup>B</sup>	1.55% <sup>B</sup>	1.72%
Direct transaction costs	0.06%	0.01%	0.04%

### Prices (pence per unit)

Highest unit price	336.70	310.90	311.60
Lowest unit price	303.20	274.10	258.30

<sup>A</sup> The return after charges is calculated using the underlying investments bid prices.

<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## COMPARATIVE TABLE

### B Income units

#### Change in net assets per unit

	Year to 31.03.2025 pence	Year to 31.03.2024 pence	Year to 31.03.2023 pence
Opening net asset value per unit	182.77	177.09	190.24
Return before operating charges*	12.55	13.56	(4.56)
Operating charges	(1.75)	(1.63)	(1.91)
Return after operating charges*	10.80	11.93	(6.47)
Distributions on income units	(6.55)	(6.25)	(6.68)
Closing net asset value per unit	187.02	182.77	177.09

\* after direct transaction costs of:

0.11      0.02      0.07

### Performance

Return after charges<sup>A</sup>      5.91%      6.74%      (3.40)%

### Other information

Closing net asset value	10,332,087	10,638,838	10,733,702
Closing number of units	5,524,497	5,820,854	6,061,107
Operating charges	0.92% <sup>B</sup>	0.92% <sup>B</sup>	1.09%
Direct transaction costs	0.06%	0.01%	0.04%

### Prices (pence per unit)

Highest unit price	198.70	185.60	195.20
Lowest unit price	178.50	163.20	159.00

### B Accumulation units

#### Change in net assets per unit

	Year to 31.03.2025 pence	Year to 31.03.2024 pence	Year to 31.03.2023 pence
Opening net asset value per unit	330.69	309.25	319.45
Return before operating charges*	22.63	24.31	(6.93)
Operating charges	(3.19)	(2.87)	(3.27)
Return after operating charges*	19.44	21.44	(10.20)
Distributions on accumulation units	(11.95)	(11.01)	(11.36)
Retained distributions on accumulation units	11.95	11.01	11.36
Closing net asset value per unit	350.13	330.69	309.25

\* after direct transaction costs of:

0.20      0.03      0.12

### Performance

Return after charges<sup>A</sup>      5.88%      6.93%      (3.19)%

### Other information

Closing net asset value	8,463,305	7,713,142	6,926,844
Closing number of units	2,417,188	2,332,465	2,239,869
Operating charges	0.92% <sup>B</sup>	0.92% <sup>B</sup>	1.09%
Direct transaction costs	0.06%	0.01%	0.04%

### Prices (pence per unit)

Highest unit price	359.50	330.90	327.70
Lowest unit price	322.90	291.00	272.50

<sup>A</sup> The return after charges is calculated using the underlying investments bid prices.

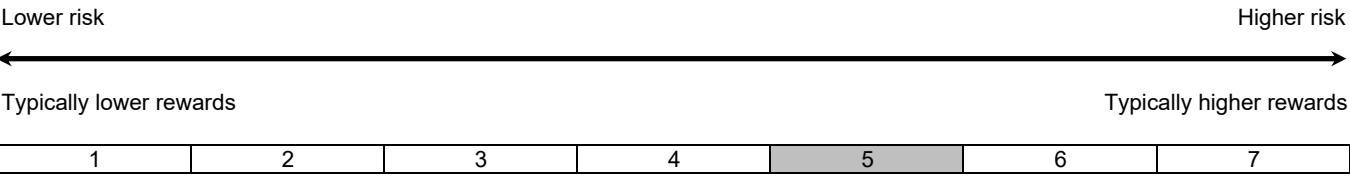
<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

Operating charges are normally the same as the Ongoing Charges Figures (OCFs) and are the total expenses paid by each unit class in the year. Where it is considered unsuitable to use the total expenses paid by each unit class in the year to calculate the OCF because of material changes to the Fund's charges an estimate will be calculated instead. The OCFs disclosed in the Key Investor Information Document (KIID) (available on IFSL's website, [www.ifslfunds.com](http://www.ifslfunds.com)) give an estimate of future costs.

Direct transaction costs are the total charges for the year, included in the purchase and sale of investments in the portfolio of the Fund. These amounts are expressed as a percentage of the average net asset value over the year and the average units in issue for the pence per unit figures.

**IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND**

**SYNTHETIC RISK AND REWARD INDICATOR** (all unit classes)



This indicator aims to give you a measure of the price movement of the Fund based on past data. It uses historic returns over the last five years. If five years' data is not available, simulated data based on a representative portfolio are used.

The Fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. During the year the synthetic risk and reward indicator has remained unchanged.



# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## PORTFOLIO STATEMENT

as at 31 March 2025

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>DEBT SECURITIES</b> (31 March 2024 - 12.49%)		
<b>AA- TO A+</b> (31 March 2024 - 2.90%)		
1,000,000 Royal Bank of Canada 5% 24.01.28	1,001,740	1.55
300,000 Toyota Motor Credit 5.625% 23.10.28	306,102	0.47
150,000 UK Treasury Index-Linked 4.125% 22.07.30	509,984	0.79
Total AA- to A+	1,817,826	2.81
<b>A TO A-</b> (31 March 2024 - 2.89%)		
1,300,000 KBC Group 5.5% 20.09.28	1,314,378	2.03
218,000 SW (Finance) Index-Linked 3.706% 31.03.34	486,526	0.75
Total A to A-	1,800,904	2.78
<b>BBB+ TO BBB</b> (31 March 2024 - 4.49%)		
1,500,000 Barclays 3.75% 22.11.30	1,480,050	2.29
700,000 Phoenix Group Holdings 5.75% Perp	658,875	1.02
1,000,000 Virgin Money UK 2.625% 19.08.31	966,210	1.49
700,000 Whitbread 5.5% 31.05.32	686,728	1.06
850,000 Yorkshire Building Society 3.375% 13.09.28	807,577	1.25
Total BBB+ to BBB	4,599,440	7.11
<b>BBB- TO UNRATED</b> (31 March 2024 - 2.21%)		
500,000 SSE 3.74% Perp	491,250	0.76
Total BBB- to Unrated	491,250	0.76
<b>Total Debt Securities</b>	<b>8,709,420</b>	<b>13.46</b>
<b>UNITED KINGDOM EQUITIES</b> (31 March 2024 - 75.47%)		
<b>CONSUMER DISCRETIONARY</b> (31 March 2024 - 7.77%)		
52,000 Bellway	1,226,160	1.90
13,229 Greggs	230,185	0.36
450,000 Kingfisher	1,114,200	1.72
31,359 The Berkeley Group Holdings	1,120,143	1.73
Total Consumer Discretionary	3,690,688	5.71
<b>COMMUNICATION SERVICES</b> (31 March 2024 - Nil)		
1,000,000 BT Group	1,644,500	2.54
Total Communication Services	1,644,500	2.54
<b>CONSUMER STAPLES</b> (31 March 2024 - 10.97%)		
30,000 Cranswick	1,473,000	2.28
70,000 Diageo	1,401,050	2.17
65,000 Unilever	2,991,950	4.63
Total Consumer Staples	5,866,000	9.08
<b>FINANCIALS</b> (31 March 2024 - 14.04%)		
400,000 Aviva	2,209,600	3.42
1,000,000 Barclays	2,851,000	4.41
105,000 IG Group Holdings	994,875	1.54
2,500,000 Lloyds Banking Group	1,795,000	2.78
250,000 Phoenix Group Holdings	1,410,000	2.18
79,000 Rathbones Group	1,222,920	1.89
420,000 Schroders	1,451,520	2.24
Total Financials	11,934,915	18.46
<b>HEALTH CARE</b> (31 March 2024 - 9.90%)		
33,000 AstraZeneca	3,702,600	5.73
160,000 GSK	2,349,600	3.63
Total Health Care	6,052,200	9.36

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## PORTFOLIO STATEMENT

as at 31 March 2025

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>UNITED KINGDOM EQUITIES</b> (continued)		
<b>INDUSTRIALS</b> (31 March 2024 - 14.92%)		
160,000 BAE Systems	2,476,800	3.83
55,000 Bunzl	1,630,200	2.52
160,000 Howden Joinery Group	1,151,200	1.78
90,000 RELX	3,497,400	5.41
Total Industrials	8,755,600	13.54
<b>INFORMATION TECHNOLOGY</b> (31 March 2024 - 5.70%)		
60,000 Halma	1,544,400	2.39
175,000 Sage Group	2,108,750	3.26
Total Information Technology	3,653,150	5.65
<b>MATERIALS</b> (31 March 2024 - 6.13%)		
300,000 Breedon Group	1,347,000	2.08
41,000 Croda International	1,182,440	1.83
35,000 Rio Tinto	1,585,500	2.45
Total Materials	4,114,940	6.36
<b>REAL ESTATE</b> (31 March 2024 - 3.43%)		
175,000 Land Securities Group	960,750	1.49
1,100,000 Primary Health Properties	1,037,850	1.61
Total Real Estate	1,998,600	3.10
<b>UTILITIES</b> (31 March 2024 - 2.61%)		
200,208 National Grid	2,019,098	3.12
Total Utilities	2,019,098	3.12
<b>Total United Kingdom Equities</b>	<b>49,729,691</b>	<b>76.92</b>
<b>CLOSED END INVESTMENTS</b> (31 March 2024 - 10.92%)		
1,000,000 GCP Infrastructure Investments	713,999	1.11
1,176,000 Gresham House Energy Storage Fund	745,584	1.15
70,000 NB Private Equity Partners	1,051,400	1.63
1,300,000 SDCL Energy Efficiency Income Trust	622,050	0.96
1,490,000 Target Healthcare REIT	1,366,330	2.11
625,000 Tritax Big Box REIT	871,250	1.35
Total Closed End Investments	5,370,613	8.31
<b>UNQUOTED SECURITIES</b> (31 March 2024 - 0.00%)		
750,000 Ceravision <sup>A</sup>	-	-
2,620 Ultra PRT <sup>A</sup>	-	-
Total Unquoted Securities	-	-
<b>Portfolio of investments</b>	<b>63,809,724</b>	<b>98.69</b>
<b>Net other assets</b>	<b>849,957</b>	<b>1.31</b>
<b>Total net assets</b>	<b>64,659,681</b>	<b>100.00</b>

<sup>A</sup> These shares are unlisted and are valued at zero, based on the latest information received.

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## STATEMENT OF TOTAL RETURN

for the year ended 31 March 2025

	Notes	31 March 2025		31 March 2024	
		£	£	£	£
Income:					
Net capital gains	4		1,751,930		2,162,199
Revenue	6	2,633,303		2,554,091	
Expenses	7	<u>(890,893)</u>		<u>(853,094)</u>	
Net revenue before taxation		1,742,410		1,700,997	
Taxation	8	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>1,742,410</u>		<u>1,700,997</u>
Total return before distributions			3,494,340		3,863,196
Distributions	9		(2,165,736)		(2,101,475)
Change in net assets attributable to unitholders from investment activities			<u>1,328,604</u>		<u>1,761,721</u>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 March 2025

	31 March 2025		31 March 2024	
	£	£	£	£
Opening net assets attributable to unitholders		63,274,949		62,612,889
Amounts receivable on issue of units	4,110,082		3,625,467	
Amounts payable on cancellation of units	<u>(4,416,370)</u>		<u>(5,057,743)</u>	
Amounts payable on unit class conversions	<u>(112)</u>		<u>(25)</u>	
		(306,400)		(1,432,301)
Change in net assets attributable to unitholders from investment activities		1,328,604		1,761,721
Retained distribution on accumulation units		362,528		332,640
Closing net assets attributable to unitholders		<u>64,659,681</u>		<u>63,274,949</u>

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## BALANCE SHEET

as at 31 March 2025

	Notes	31 March 2025 £	31 March 2024 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	17	63,809,724	62,565,821
<b>Current Assets:</b>			
Debtors	10	455,954	457,830
Cash and cash equivalents	12	1,262,499	1,202,135
Total assets		<u>65,528,177</u>	<u>64,225,786</u>
<b>Liabilities:</b>			
<b>Creditors:</b>			
Distribution payable		731,575	730,483
Other creditors	11	136,921	220,354
Total liabilities		<u>868,496</u>	<u>950,837</u>
<b>Net assets attributable to unitholders</b>		<u><u>64,659,681</u></u>	<u><u>63,274,949</u></u>

## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

#### 1 ACCOUNTING POLICIES

##### **Basis of preparation**

The financial statements have been prepared in compliance with UK Financial Reporting Standard 102 ("FRS 102") and in accordance with the Statement of Recommended Practice ("SORP") for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The financial statements are prepared in sterling, which is the functional currency of the Fund. Monetary amounts in these financial statements are rounded to the nearest pound.

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

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for the next twelve months from the date these financial statements are authorised for issue. The Authorised Fund Manager (AFM) believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

##### **Revenue**

Dividends from quoted ordinary securities are recognised when the security is quoted ex-dividend.

Interest on debt securities is recognised on an accruals basis. Accrued interest purchased and sold on debt securities is excluded from the capital cost of these securities and is treated as revenue. Interest earned from debt securities is accounted for on an effective yield basis. Effective yield is where the interest arising on the security that is purchased at a discount or premium to the maturity value is amortised and recognised at a consistent rate over the life of the security.

Dividends from non-quoted securities are recognised when the right to receive payment is established.

Bank interest is accounted for on an accruals basis.

##### **Allocation of revenue**

Revenue, attributable after expenses to multiple unit classes, with the exception of the AFM's periodic charge, which is directly attributable to individual unit classes, is allocated to unit classes pro-rata to the value of the net assets of the relevant unit class on the day that the revenue is incurred.

##### **Expenses**

All expenses, other than those relating to purchase and sale of investments, are split equally between capital and revenue on an accruals basis.

##### **Valuation**

The valuation point was 12:00 on 31 March 2025 being the last valuation point of the accounting year.

Listed investments are valued at fair value which is the bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the AFM's best estimate of the amount that would be received from the immediate transfer at arm's length in a manner designed to show fair value. This modelling takes into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance, maturity of the company and other relevant factors.

##### **Taxation**

Corporation tax has been provided for at 20% on taxable income less expenses. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions, or events giving rise to them, occurred before the balance sheet date.

##### **Exchange rates**

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12:00 on 31 March 2025 being the last valuation point of the accounting year. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

#### 2 DISTRIBUTION POLICIES

The distribution policy of the Fund is to distribute or accumulate all available revenue, after deduction of expenses properly chargeable against revenue. Gains and losses on non-derivative instruments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

### DISTRIBUTION POLICIES (continued)

During the year, the Fund was less than 60% invested in qualifying investments (as defined by SI 2006/964, Reg. 20) and therefore qualified as an equity fund. The Fund paid dividend distributions.

#### Equalisation

Equalisation applies only to units purchased during the distribution period. It is the average amount of income included in the purchase price of all group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to UK income tax but must be deducted from the cost of the units for UK capital gains tax purposes.

#### Stock and special dividends

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue of the Fund. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of any distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue of the Fund. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

### 3 RISK MANAGEMENT POLICIES

In pursuing its investment objective, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities held in accordance with the investment objectives and policies together with cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued income.

The main risks arising from the Fund's financial instruments and the AFM's policies for managing these risks are summarised below. These policies have been applied throughout the year.

The Fund is managed according to COLL 5, 'Investment and Borrowing Powers' which helps achieve the statutory objective of protecting consumers by laying down the minimum standards for the investments that may be held by an authorised fund. In particular: (a) the proportion of transferable securities and derivatives that may be held by the authorised fund is restricted if those transferable securities and derivatives are not listed on an eligible market. The intention of this is to restrict the transferable securities and derivatives that cannot be accurately valued and readily disposed of; and (b) the authorised funds are required to comply with a number of investment rules that require the spreading of risk.

#### Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the AFM in pursuance of the investment objective and policy as set out in the Prospectus.

Investment limits set out in the Trust Deed, Prospectus and in the rules contained in the Collective Investment Schemes Sourcebook mitigate the risk of excessive exposure to any particular security or issuer.

#### Foreign currency risk

The income and capital value of the Fund's investments can be affected by foreign currency translation movements as some of the Fund's assets and income may be denominated in currencies other than sterling which is the Fund's functional currency.

The AFM has identified three principal areas where foreign currency risk could impact the Fund. These are, movements in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movements during the period between when an investment purchase or sale is entered into and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Fund. The Fund converts all receipts of income received in currency into sterling on the day of receipt.

#### Credit and counterparty risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the AFM as an acceptable counterparty.

#### Interest rate risk

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Fund's cash holdings are held in deposit accounts, whose rates are determined by the banks concerned on a daily basis.

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

### RISK MANAGEMENT POLICIES (continued)

#### Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any units that investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions. The liquidity of the Fund's assets is regularly reviewed by the AFM.

#### 4 NET CAPITAL GAINS

31 March 2025

31 March 2024

£

£

The net gains on investments during the year comprise:

Non-derivative securities gains	1,752,728	2,162,907
Currency losses	(1)	(1)
Transaction charges	(797)	(707)
<b>Net capital gains</b>	<b>1,751,930</b>	<b>2,162,199</b>

#### 5 PURCHASES, SALES AND TRANSACTION COSTS

31 March 2025

31 March 2024

£

£

Purchases excluding transaction costs:

Equities	7,415,108	765,228
Debt securities	690,270	2,215,239
	8,105,378	2,980,467
Equities: Commissions	4,362	487
Taxes and other charges	27,485	3,563
Total purchases transaction costs	31,847	4,050
<b>Purchases including transaction costs</b>	<b>8,137,225</b>	<b>2,984,517</b>

Purchases transaction costs expressed as a percentage of the principal amount:

Equities: Commissions	0.06%	0.06%
Taxes and other charges	0.37%	0.47%

Sales excluding transaction costs:

Equities	8,600,674	3,442,635
Debt securities	-	1,159,659
	8,600,674	4,602,294
Equities: Commissions	(6,059)	(1,352)
Taxes and other charges	(10)	(10)
Total sales transaction costs	(6,069)	(1,362)
<b>Sales net of transaction costs</b>	<b>8,594,605</b>	<b>4,600,932</b>

Sales transaction costs expressed as a percentage of the principal amount:

Equities: Commissions	0.07%	0.04%
Taxes and other charges	0.00%	0.00%

Total purchases and sales transaction costs expressed as a percentage of the average net asset value over the year:

Commissions	0.02%	0.00%
Taxes and other charges	0.04%	0.01%
	0.06%	0.01%

Transaction costs are commissions paid to agents, levies by regulatory agencies and securities exchanges, and transfer taxes and duties associated with investment transactions on the Fund. These exclude any differences between quoted bid and offer prices or internal administrative on holding costs.

#### Transaction handling charges

These are charges payable to the trustee in respect of each transaction:	797	707
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#### Average portfolio dealing spread

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Average portfolio dealing spread at the balance sheet date	0.18%	0.16%
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# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

### 6 REVENUE

	31 March 2025 £	31 March 2024 £
UK dividends	1,806,974	1,734,156
UK dividends (unfranked)	251,690	252,716
Overseas dividends	166,549	150,585
Interest on debt securities	350,338	381,219
Bank interest	57,752	35,414
Other income	-	1
<b>Total revenue</b>	<b>2,633,303</b>	<b>2,554,091</b>

### 7 EXPENSES

	31 March 2025 £	31 March 2024 £
Payable to the AFM or associate:		
AFM's periodic charge	858,406	814,811
Registration fees	258	333
KIID fee	1,187	1,200
	<b>859,851</b>	<b>816,344</b>
Other expenses:		
Trustee's fees	17,205	16,308
Audit fee	8,687	7,128
Safe custody fees	1,367	2,045
Financial Conduct Authority fee	153	154
EMX/Calastone fee	1,963	2,422
Bank interest	1,667	8,693
	<b>31,042</b>	<b>36,750</b>
<b>Total expenses</b>	<b>890,893</b>	<b>853,094</b>

### 8 TAXATION

	31 March 2025 £	31 March 2024 £
a Analysis of the tax charge for the year		
UK corporation tax at 20%	-	-
<b>Total tax charge for the year</b> (see note 8(b))	<b>-</b>	<b>-</b>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below.		
Net revenue before taxation	1,742,410	1,700,997
UK corporation tax at 20% (2024: 20%)	348,482	340,199
Tax effects of:		
Revenue not subject to taxation	(394,705)	(376,984)
Unrelieved excess management expenses	45,618	34,321
Prior year unrelieved excess management expenses	605	2,464
<b>Total tax charge for the year</b> (see note 8(a))	<b>-</b>	<b>-</b>
c Provision for deferred taxation		
At 31 March 2025 the Fund has deferred tax assets of £1,510,929 (2024: £1,465,311) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.		



# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

### 9 DISTRIBUTIONS

	31 March 2025	31 March 2024
	£	£
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
Interim	1,267,142	1,203,568
Final	884,950	873,337
Deduct: Amounts received on issue of units	(27,318)	(19,270)
Add: Amounts deducted on cancellation of units	41,098	43,882
Equalisation on conversions	(113)	(25)
Revenue brought forward	(23)	(17)
<b>Distributions</b>	<b>2,165,736</b>	<b>2,101,475</b>
Net revenue after taxation	1,742,410	1,700,997
Expenses paid from capital	444,204	422,200
Tax effect of management fee rebate borne by capital	(20,878)	(21,722)
	<b>2,165,736</b>	<b>2,101,475</b>

### 10 DEBTORS

	31 March 2025	31 March 2024
	£	£
Amounts receivable for issue of units	12,014	33,926
Accrued income	440,685	423,904
Taxation recoverable	3,255	-
<b>Total debtors</b>	<b>455,954</b>	<b>457,830</b>

### 11 OTHER CREDITORS

	31 March 2025	31 March 2024
	£	£
Amounts payable for cancellation of units	51,555	139,955
Purchases awaiting settlement	3	-
AFM's periodic charge and other fees	74,606	69,647
Accrued expenses	10,757	10,752
<b>Total other creditors</b>	<b>136,921</b>	<b>220,354</b>

### 12 CASH AND CASH EQUIVALENTS

	31 March 2025	31 March 2024
	£	£
Cash and bank balances	1,262,499	1,202,135
<b>Total cash and cash equivalents</b>	<b>1,262,499</b>	<b>1,202,135</b>

### 13 RELATED PARTIES

The AFM is involved in all transactions in the units of the Fund, the aggregate values of which are set out in the statement of change in net assets attributable to unitholders and note 9. Amounts due from/to the AFM in respect of unit transactions at the year end are disclosed in notes 10 and 11, respectively. Amounts paid to the AFM in respect of the AFM's periodic charge and other fees are disclosed in note 7. Amounts due to the AFM at the year end are £114,147 (2024: £175,676).

### 14 UNIT CLASSES

The unit classes in issue for the Fund and the annual management charge for each unit class is as follows:

A Income / Accumulation	1.50%
B Income / Accumulation	0.875%

### 15 UNITHOLDERS' FUNDS RECONCILIATION

During the year the AFM has issued, cancelled and converted units from one unit class to another as set out below:

	A Income	A Accumulation
Opening units in issue at 1 April 2024	24,369,912	790,078
Units issued	1,566,432	46,087
Units cancelled	(1,441,318)	(23,626)
Units converted	(77,014)	(45,183)
Closing units in issue at 31 March 2025	<b>24,418,012</b>	<b>767,356</b>

## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

#### UNITHOLDERS' FUNDS RECONCILIATION (continued)

	B income	B Accumulation
Opening units in issue at 1 April 2024	5,820,854	2,332,465
Units issued	100,397	296,342
Units cancelled	(481,024)	(248,080)
Units converted	84,270	36,461
Closing units in issue at 31 March 2025	5,524,497	2,417,188

## 16 RISK DISCLOSURES

#### Market price risk sensitivity

A five per cent increase in the market prices of the Fund's portfolio would have the effect of increasing the return and net assets by £3,190,486 (2024: £3,128,291). A five per cent decrease would have an equal and opposite effect.

#### Interest rate risk

31 March 2025

31 March 2024

£

£

The interest rate risk profile of financial assets and liabilities consists of the following:

Financial assets floating rate <sup>A</sup>	1,262,499	1,202,135
Financial assets interest bearing instruments	8,709,420	7,900,591
Financial assets non-interest bearing instruments	55,556,258	55,123,060
Financial liabilities non-interest bearing instruments	(868,496)	(950,837)
	64,659,681	63,274,949

<sup>A</sup> Floating rate assets and liabilities comprise bank balances and overdrafts, whose rates are determined by reference to SONIA or an international equivalent borrowing rate. Interest on investments is variable based on the distribution received from underlying investments.

#### Interest rate risk sensitivity on debt securities (based on the weighted modified duration)

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A half of one per cent increase in interest rates would have the effect of decreasing the return and net assets by £112,196 (2024: £125,306). A half of one per cent decrease would have an equal and opposite effect.

#### Debt security credit analysis

31 March 2025

31 March 2024

Bid value (£)

Investments of investment grade	8,709,420	7,900,591
<b>Total debt securities</b>	<b>8,709,420</b>	<b>7,900,591</b>

#### Liquidity risk

31 March 2025

31 March 2024

£

£

The following table provides a maturity analysis of the Fund's financial liabilities:

Within one year:	Distribution payable	731,575	730,483
	Other creditors	136,921	220,354
		868,496	950,837

## IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2025

#### 17 FAIR VALUE HIERARCHY FOR INVESTMENTS

Basis of valuation	31 March 2025		31 March 2024	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	55,100,304	-	55,181,473	-
Level 2 - Observable market data	8,709,420	-	7,384,348	-
Level 3 - Unobservable data	-	-	-	-
	<u>63,809,724</u>	<u>-</u>	<u>62,565,821</u>	<u>-</u>

The intention of a fair value measurement is to estimate the price at which an asset or liability could be exchanged in the market conditions prevailing at the measurement date. The measurement assumes the exchange is an orderly transaction (that is, it is not a forced transaction, involuntary liquidation or distress sale) between knowledgeable, willing participants on an independent basis.

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs.

In accordance with FRS102 the Fund classifies fair value measurement under the following levels:

Level 1 - Unadjusted quoted price in an active market for an identical instrument;

Level 2 - Valuation techniques using observable inputs other than quoted prices within level 1; and

Level 3 - Valuation techniques using unobservable inputs.

#### 18 POST BALANCE SHEET EVENTS

Since 31 March 2025, the Net Asset Value per unit has changed as follows:

	Net Asset Value per unit (pence)		
	31 March 2025 <sup>A</sup>	30 June 2025	Movement (%)
A Income	180.10	188.20	4.50%
A Accumulation	327.10	346.40	5.90%
B Income	189.90	198.50	4.53%
B Accumulation	350.40	371.60	6.05%

<sup>A</sup> These Net Asset Values differ from those in the Comparative Table as they are the quoted Net Asset Values.

# IFSL CHURCH HOUSE BALANCED EQUITY INCOME FUND

## DISTRIBUTION TABLE

### Interim distribution for the period from 1 April 2024 to 30 September 2024

Group 1: units purchased prior to 1 April 2024

Group 2: units purchased on or after 1 April 2024

		Net revenue 30 September 2024 pence per unit	Equalisation 30 September 2024 pence per unit	Distribution paid 30 November 2024 pence per unit	Distribution paid 30 November 2023 pence per unit
A Income	Group 1	3.4794	-	3.4794	3.2795
	Group 2	1.9682	1.5112	3.4794	3.2795
A Accumulation	Group 1	6.2043	-	6.2043	5.6539
	Group 2	2.1099	4.0944	6.2043	5.6539
B Income	Group 1	3.8586	-	3.8586	3.6045
	Group 2	2.2659	1.5927	3.8586	3.6045
B Accumulation	Group 1	6.9816	-	6.9816	6.2991
	Group 2	3.5799	3.4017	6.9816	6.2991

### Final distribution for the period from 1 October 2024 to 31 March 2025

Group 1: units purchased prior to 1 October 2024

Group 2: units purchased on or after 1 October 2024

		Net revenue 31 March 2025 pence per unit	Equalisation 31 March 2025 pence per unit	Distribution paid 31 May 2025 pence per unit	Distribution paid 31 May 2024 pence per unit
A Income	Group 1	2.3869	-	2.3869	2.3667
	Group 2	1.4762	0.9107	2.3869	2.3667
A Accumulation	Group 1	4.3362	-	4.3362	4.1621
	Group 2	2.7132	1.6230	4.3362	4.1621
B Income	Group 1	2.6920	-	2.6920	2.6405
	Group 2	1.8988	0.7932	2.6920	2.6405
B Accumulation	Group 1	4.9686	-	4.9686	4.7147
	Group 2	3.1097	1.8589	4.9686	4.7147

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