

Investment Fund Services

# IFSL Church House Esk Global Equity Fund

Annual Report and Audited  
Financial Statements

for the year ended 30 September 2024

## **IFSL CHURCH HOUSE ESK GLOBAL EQUITY 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  
Guy Sears (Independent Non-Executive) - resigned, 25 March 2024  
Katherine Damsell (Independent Non-Executive) - appointed, 25 March 2024  
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 ESK GLOBAL EQUITY FUND

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## IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

#### Performance to 30 September 2024

	<u>Six months</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>
IFSL Church House ESK Global Equity Fund	(0.21)%	15.34%	18.49%	61.19%
IA Global sector	0.93%	16.42%	13.92%	49.76%

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

The Fund does not have a specific benchmark. Over the year to 30 September 2024 units in the Fund rose 15.34% ('B' Accumulation units).

Over this period the IA Global sector gained 16.42%. Whilst the Fund does not have a specific benchmark, you may want to consider its performance against this IA sector.

##### Market review

The year to the end of September has seen strong performance across global equities, with US markets continuing to lead. From the headline figures one would be excused for thinking that it has been a lovely year to be an equity investor, with all the major global indices rising double digits. In reality, it has been an exclusive party, with the majority of returns being driven by a small number of US technology names (the now famous Magnificent Seven).

Elsewhere in global markets we have seen significant volatility and dispersion of returns, most notably in Asia. Chinese markets have come under particular pressure on the back of a deteriorating economy. Authorities in China boosted sentiment (and markets) somewhat in September with their 'shock' economic stimulus package but time will tell if this can improve the fundamentals. Japanese markets have also been very volatile of late, sensitive to the smallest of interest rate moves.

##### Fund performance review

Over the year the Fund has generated respectable returns, albeit we are still lagging the major world indices due to our underweight position in the Magnificent Seven. Not owning Meta and Nvidia in particular cost us higher returns. We saw positive performance across all sectors with the exception of consumer, where declining spend on discretionary items have hurt Rémy Cointreau, L'Oréal, Nestlé and LVMH. We were pleased to see the appointment of a new CEO at Nestlé earlier in the year, who promises to update the market before long with his plans for re-energising this Swiss giant.

It was not all negativity in the discretionary sector as Ferrari shares have defied the gloom seen elsewhere in both automotive and consumer markets to hit all-time highs at the end of the summer. We have been shareholders in Ferrari since 2021 and the business now ranks as a top ten position in Esk.

We added to our holding in dental implants maker Straumann over summer 2024 after a fascinating meeting with their CEO and are pleased to report that shares have since picked up nicely. Straumann may be listed in Switzerland but they are a truly global business and are the best at what they do – after a softer few quarters while demand for cosmetic dental procedures waned post-lockdowns, it looks like we are returning to more normal conditions and we fully expect Straumann to march ahead against this backdrop.

##### Portfolio activity

We saw characteristically low turnover for Esk over the year. In the beverages sector we exited our holding in Heineken on concerns that the beer market will remain structurally challenged over the long-term and reinvested the proceeds into Coca-Cola, which has performed well for the Fund thus far. The quality and consistency of this company is outstanding and their current rating remains fair in our opinion. We have also trimmed our positions in Microsoft, Apple and Oracle after exceptional performance, although all three remain large positions for Esk.

We have also sold the complete holding in Industrivarden, which had had a good year, preferring to focus on the other Swedish holding company, Investor AB. We sold the complete holding in the US bio-pharmaceutical company Gilead Sciences, in favour of adding further to the Cencora and UnitedHealth Group holdings, both being relatively new positions where we can see better value and predictability.

## IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

#### Investment commentary (continued)

##### Top 15 holdings

Alphabet 'A'	4.81%
Microsoft	4.80%
Mastercard 'A'	3.75%
Amazon.com	3.74%
Apple	3.58%
Oracle	3.53%
Stryker	3.49%
RELX	3.35%
Investor 'B'	3.22%
LVMH Moët Hennessy Louis Vuitton	3.05%
Ferrari	2.96%
Hermès International	2.60%
Intuit	2.59%
Johnson & Johnson	2.58%
Unilever	2.57%

##### Investment outlook

As the third quarter of 2024 drew to a close, many international equity indices were reaching new high levels despite a serious escalation of the conflict in the Middle East and an imminent US Presidential Election. On the other hand, the US Federal Reserve has begun to cut interest rates with a surprise half per cent move in the wake of a quarter-point move from the Bank of England and the Chinese authorities appear to have recognised the difficulties for their domestic economy and have introduced a massive stimulus package. Against this backdrop, there is plenty of scope for short-term market volatility, although monetary conditions are broadly favourable for equity investors.

We remain as committed long-term investors in high quality companies that we consider are best placed to prosper over the long-term and weather any short-term problems.

Church House Investments Limited  
21 October 2024

#### **Distributions**

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>A Income (pence per unit)</u>				
Net income paid 31 May	-	0.1570	-	0.0230
Net income paid 30 November	1.0602	1.4917	1.0160	1.0940
<u>A Accumulation (pence per unit)</u>				
Net accumulation paid 31 May	0.1121	0.1989	-	0.0530
Net accumulation paid 30 November	1.1078	1.7315	1.0370	0.8460
<u>B Income (pence per unit)</u>				
Net income paid 31 May	0.7900	0.8742	0.5790	0.6700
Net income paid 30 November	1.9241	2.2747	1.8830	1.8180
<u>B Accumulation (pence per unit)</u>				
Net accumulation paid 31 May	0.8549	0.9588	0.6200	0.7150
Net accumulation paid 30 November	2.1065	2.4719	2.0350	1.9680

## IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

### AUTHORISED INVESTMENT MANAGER'S REPORT

for the year ended 30 September 2024

#### Portfolio changes

<u>Largest purchases</u>	<u>Cost (£)</u>
Coca-Cola	1,433,723
Rémy Cointreau	749,620
UnitedHealth Group	432,142
Cencora	398,469
Straumann Holding	166,588
Total purchases for the year	3,180,542
<u>Largest sales</u>	<u>Proceeds (£)</u>
Heineken	1,335,927
Industrivarden	1,059,305
Gilead Sciences	889,834
Microsoft	398,497
Rémy Cointreau	333,704
L'Oréal	185,151
Apple	150,713
Oracle	123,680
Nomura Holdings	102,811
RELX	91,433
Other sales	18,939
Total sales for the year	4,689,994

## IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

### AUTHORISED STATUS

IFSL Church House Esk Global Equity 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 capital growth, which is profit on investments held, 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 80% of the Fund will be invested directly in the shares, also known as equities, of large companies worldwide. The Investment Manager defines large companies as those with a minimum market capitalisation (the market value of a company's shares) of \$5bn at the time of initial purchase. The shares must be listed on recognised exchanges in developed markets.

No specific geographic limitations are imposed, but a maximum of 15% of the Fund will be invested in companies listed, incorporated or domiciled in the UK.

Up to 20% of the Fund may be invested in other assets, including shares of smaller companies (capitalisation less than \$5bn), bonds (which are loans typically issued by companies and governments) and money market instruments (which are short-term loans).

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 Global 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.

#### 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 latest report was published on 31 December 2024.

#### Taskforce 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 ESK GLOBAL EQUITY 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	4,651	4,141	510
Risk takers and other identified staff	0.02	1,988	1,697	291

The total number of staff employed by the AFM's group 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 ESK GLOBAL EQUITY 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  
31 January 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 ESK GLOBAL EQUITY 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 Esk Global Equity Fund ("the Scheme") for the Year Ended 30 September 2024.

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  
250 Bishopsgate  
London  
EC2M 4AA

31 January 2025

## IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

#### Opinion

We have audited the financial statements of IFSL Church House Esk Global Equity Fund ("the Fund") for the year ended 30 September 2024, 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 30 September 2024 and of the net revenue and the 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 Authorised Fund Manager's (the "AFM") 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 AFM 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 AFM 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 ESK GLOBAL EQUITY FUND**

### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF IFSL CHURCH HOUSE ESK GLOBAL EQUITY 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;
- 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 AFM'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 AFM's responsibilities statement set out on page 6, the AFM 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 AFM 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 AFM 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 AFM 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 ESK GLOBAL EQUITY 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 AFM and the Fund's administrators 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 fraud risks in relation to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends and the resulting impacts to amounts available for distribution. In response to our fraud risks, 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 AFM 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 Financial Reporting Council'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

31 January 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 ESK GLOBAL EQUITY FUND

COMPARATIVE TABLE

<b><u>A Income units</u></b>	<b>Year to 30.09.2024</b>	<b>Year to 30.09.2023</b>	<b>Year to 30.09.2022</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	406.82	363.04	397.81
Return before operating charges*	66.06	50.62	(28.54)
Operating charges	(5.76)	(5.19)	(5.21)
Return after operating charges*	60.30	45.43	(33.75)
Distributions on income units	(1.06)	(1.65)	(1.02)
Closing net asset value per unit	466.06	406.82	363.04
* after direct transaction costs of:	0.05	0.05	0.07
<b>Performance</b>			
Return after charges <sup>A</sup>	14.82%	12.51%	(8.48)%
<b>Other information</b>			
Closing net asset value (£)	19,970,266	17,724,802	17,083,546
Closing number of units	4,284,890	4,356,934	4,705,743
Operating charges	1.30% <sup>B</sup>	1.31% <sup>B</sup>	1.32%
Direct transaction costs	0.01%	0.01%	0.02%
<b>Prices (pence per unit)</b>			
Highest unit price	471.90	423.20	432.40
Lowest unit price	393.60	358.00	345.50
<b><u>A Accumulation units</u></b>	<b>Year to 30.09.2024</b>	<b>Year to 30.09.2023</b>	<b>Year to 30.09.2022</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	424.55	377.14	412.13
Return before operating charges*	69.13	52.99	(29.58)
Operating charges	(6.04)	(5.58)	(5.41)
Return after operating charges*	63.09	47.41	(34.99)
Distributions on accumulation units	(1.22)	(1.93)	(1.04)
Retained distributions on accumulation units	1.22	1.93	1.04
Closing net asset value per unit	487.64	424.55	377.14
* after direct transaction costs of:	0.05	0.05	0.07
<b>Performance</b>			
Return after charges <sup>A</sup>	14.86%	12.57%	(8.49)%
<b>Other information</b>			
Closing net asset value (£)	995,334	536,590	34,924
Closing number of units	204,112	126,389	9,260
Operating charges	1.30% <sup>B</sup>	1.31% <sup>B</sup>	1.32%
Direct transaction costs	0.01%	0.01%	0.02%
<b>Prices (pence per unit)</b>			
Highest unit price	492.60	440.00	447.90
Lowest unit price	410.90	372.10	358.00

<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 ESK GLOBAL EQUITY FUND

COMPARATIVE TABLE

<b><u>B Income units</u></b>	<b>Year to 30.09.2024</b>	<b>Year to 30.09.2023</b>	<b>Year to 30.09.2022</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	407.17	363.34	398.16
Return before operating charges*	66.20	50.69	(28.61)
Operating charges	(4.10)	(3.71)	(3.75)
Return after operating charges*	62.10	46.98	(32.36)
Distributions on income units	(2.71)	(3.15)	(2.46)
Closing net asset value per unit	466.56	407.17	363.34
* after direct transaction costs of:	0.05	0.05	0.07
<b>Performance</b>			
Return after charges <sup>A</sup>	15.25%	12.93%	(8.13)%
<b>Other information</b>			
Closing net asset value (£)	39,023,688	35,139,838	33,819,767
Closing number of units	8,364,153	8,630,233	9,308,148
Operating charges	0.92% <sup>B</sup>	0.94% <sup>B</sup>	0.94%
Direct transaction costs	0.01%	0.01%	0.02%
<b>Prices (pence per unit)</b>			
Highest unit price	473.10	424.30	433.10
Lowest unit price	394.10	358.30	346.20
<b><u>B Accumulation units</u></b>	<b>Year to 30.09.2024</b>	<b>Year to 30.09.2023</b>	<b>Year to 30.09.2022</b>
<b>Change in net assets per unit</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Opening net asset value per unit	443.14	392.32	427.08
Return before operating charges*	72.05	54.84	(30.75)
Operating charges	(4.46)	(4.02)	(4.01)
Return after operating charges*	67.59	50.82	(34.76)
Distributions on accumulation units	(2.96)	(3.43)	(2.66)
Retained distributions on accumulation units	2.96	3.43	2.66
Closing net asset value per unit	510.73	443.14	392.32
* after direct transaction costs of:	0.05	0.05	0.08
<b>Performance</b>			
Return after charges <sup>A</sup>	15.25%	12.95%	(8.14)%
<b>Other information</b>			
Closing net asset value (£)	11,193,188	10,076,838	8,086,915
Closing number of units	2,191,609	2,273,988	2,061,292
Operating charges	0.92% <sup>B</sup>	0.94% <sup>B</sup>	0.94%
Direct transaction costs	0.01%	0.01%	0.02%
<b>Prices (pence per unit)</b>			
Highest unit price	515.80	459.20	464.50
Lowest unit price	428.90	387.10	371.90

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

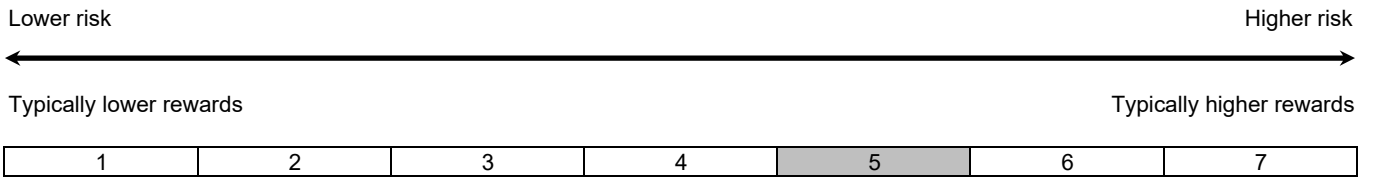
<sup>B</sup> On 30 November 2023, The Investment Association amended the disclosure of fund charges and costs originally issued on the 2 July 2020. Consequently, we have excluded, where relevant, charges incurred by closed-ended vehicles such as investment trusts.

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 ESK GLOBAL EQUITY FUND**

**SYNTHETIC RISK AND REWARD INDICATOR**



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 ESK GLOBAL EQUITY FUND**

**PORTFOLIO STATEMENT**

as at 30 September 2024

Holding or nominal value	Bid value £	Percentage of total net assets %
<b>EUROPEAN EQUITIES</b> (30 September 2023 - 31.86%)		
21,000 Euronext	1,680,400	2.36
6,000 Ferrari	2,109,297	2.96
1,000 Hermès International	1,848,327	2.60
100,000 Investor 'B'	2,294,993	3.22
2,500 Lonza Group	1,186,742	1.67
5,000 L'Oréal	1,684,073	2.37
3,750 LVMH Moët Hennessy Louis Vuitton	2,169,217	3.05
17,500 Nestlé	1,318,450	1.85
20,000 Novonesis 'B'	1,076,409	1.51
10,000 Rémy Cointreau	576,454	0.81
16,500 Rémy Cointreau DRIP Shares <sup>A</sup>	-	-
7,500 Roche Holding	1,799,332	2.53
11,500 Straumann Holding	1,401,336	1.97
15,000 Swiss Re	1,552,131	2.18
Total European Equities	<u>20,697,161</u>	<u>29.08</u>
<b>JAPANESE EQUITIES</b> (30 September 2023 - 7.84%)		
20,000 Chugai Pharmaceutical Co	722,397	1.02
160,000 Nomura Holdings	621,111	0.87
50,000 Shin-Etsu Chemical Co	1,558,270	2.19
102,500 Sony	1,481,396	2.08
99,000 Sumitomo Mitsui Financial Group	1,572,987	2.21
Total Japanese Equities	<u>5,956,161</u>	<u>8.37</u>
<b>UNITED KINGDOM EQUITIES</b> (30 September 2023 - 11.47%)		
16,250 Caledonia Investments	558,187	0.78
4,400 Everest Re Group	1,296,054	1.82
67,500 RELX	2,385,920	3.35
20,000 Rio Tinto	1,067,400	1.50
110,000 Standard Chartered	878,680	1.23
37,500 Unilever	1,832,674	2.57
Total United Kingdom Equities	<u>8,018,915</u>	<u>11.25</u>
<b>UNITED STATES EQUITIES</b> (30 September 2023 - 48.32%)		
28,000 Alphabet 'A'	3,423,626	4.81
19,000 Amazon.com	2,662,792	3.74
5,000 Ansys	1,212,391	1.70
15,000 Apple	2,548,249	3.58
5,000 Berkshire Hathaway 'B'	1,705,211	2.40
5,000 Cencora	838,562	1.18
30,000 Coca-Cola	1,606,251	2.26
4,000 Intuit	1,846,783	2.59
15,250 Johnson & Johnson	1,836,212	2.58
7,250 Mastercard 'A'	2,668,294	3.75
7,000 McDonald's	1,585,699	2.23
10,700 Microsoft	3,415,427	4.80
13,000 Morgan Stanley	1,009,586	1.42
7,000 Nordson	1,366,265	1.92
20,000 Oracle	2,516,021	3.53
18,750 PACCAR	1,372,487	1.93
9,250 Stryker	2,484,930	3.49
14,000 T Rowe Price Group	1,143,437	1.61
2,000 UnitedHealth Group	867,828	1.22
Total United States Equities	<u>36,110,051</u>	<u>50.74</u>

**IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND**

**PORTFOLIO STATEMENT**

as at 30 September 2024

Holding or nominal value		Bid value £	Percentage of total net assets %
	<b>UNQUOTED SECURITIES</b> (30 September 2023 - 0.00%)		
130,000	Ceravision <sup>B</sup>	-	-
280	Ultra PRT <sup>B</sup>	-	-
	Total Unquoted Securities	-	-
	<b>Portfolio of investments</b>	70,782,288	99.44
	<b>Net other assets</b>	400,188	0.56
	<b>Total net assets</b>	<u>71,182,476</u>	<u>100.00</u>

<sup>A</sup> These are unlisted Dividend Reinvestment Plan (DRIP) shares which are valued at zero.

<sup>B</sup> These securities 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 ESK GLOBAL EQUITY FUND**

**STATEMENT OF TOTAL RETURN**

for the year ended 30 September 2024

	Notes	30 September 2024		30 September 2023	
		£	£	£	£
Income:					
Net capital gains	4		9,132,881		7,077,454
Revenue	6	1,237,226		1,204,835	
Expenses	7	(706,079)		(661,134)	
Net revenue before taxation		<u>531,147</u>		<u>543,701</u>	
Taxation	8	<u>(191,001)</u>		<u>(112,479)</u>	
Net revenue after taxation			<u>340,146</u>		<u>431,222</u>
Total return before distributions			9,473,027		7,508,676
Distributions	9		(340,850)		(431,222)
Change in net assets attributable to unitholders from investment activities			<u>9,132,177</u>		<u>7,077,454</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

for the year ended 30 September 2024

	30 September 2024		30 September 2023	
	£	£	£	£
Opening net assets attributable to unitholders		63,478,068		59,025,152
Amounts receivable on issue of units	3,240,017		3,524,401	
Amounts payable on cancellation of units	(4,734,928)		(6,227,895)	
Amounts payable on unit class conversions	(54)		(4)	
Compensation to Fund	<u>54</u>		<u>-</u>	
		(1,494,911)		(2,703,498)
Change in net assets attributable to unitholders from investment activities		9,132,177		7,077,454
Retained distributions on accumulation units		67,142		78,960
Closing net assets attributable to unitholders		<u>71,182,476</u>		<u>63,478,068</u>

**IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND**

**BALANCE SHEET**

as at 30 September 2024

	Notes	30 September 2024 £	30 September 2023 £
<b>Assets:</b>			
<b>Fixed Assets:</b>			
Investments	16	70,782,288	63,151,830
<b>Current Assets:</b>			
Debtors	10	186,061	189,343
Cash and bank balances		488,065	471,956
Total assets		<u>71,456,414</u>	<u>63,813,129</u>
<b>Current Liabilities:</b>			
<b>Creditors:</b>			
Distributions payable on income units		206,371	261,308
Other creditors	11	67,567	73,753
Total liabilities		<u>273,938</u>	<u>335,061</u>
<b>Net assets attributable to unitholders</b>		<u><u>71,182,476</u></u>	<u><u>63,478,068</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

### 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.

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 charged against revenue on an accruals basis.

#### Valuation

The valuation point was 12:00 on 30 September 2024 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 30 September 2024, 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2024

**DISTRIBUTION POLICIES** (continued)

**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 ESK GLOBAL EQUITY FUND

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

#### 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	30 September 2024	30 September 2023
	£	£
The net gains on investments during the year comprise:		
Non-derivative securities gains	9,144,645	7,163,546
Currency losses	(11,367)	(85,332)
Transaction charges	(397)	(760)
<b>Net capital gains</b>	<u>9,132,881</u>	<u>7,077,454</u>
5 PURCHASES, SALES AND TRANSACTION COSTS	30 September 2024	30 September 2023
	£	£
Purchases excluding transaction costs:		
Equities	<u>3,176,499</u>	<u>2,754,783</u>
	3,176,499	2,754,783
Equities: Commissions	1,802	1,809
Taxes and other charges	<u>2,241</u>	<u>3,499</u>
Total purchases transaction costs	<u>4,043</u>	<u>5,308</u>
<b>Purchases including transaction costs</b>	<u>3,180,542</u>	<u>2,760,091</u>
Purchases transaction costs expressed as a percentage of the principal amount:		
Equities: Commissions	0.06%	0.07%
Taxes and other charges	0.07%	0.13%
Sales excluding transaction costs:		
Equities	<u>4,692,881</u>	<u>4,301,113</u>
	4,692,881	4,301,113
Equities: Commissions	(2,872)	(2,574)
Taxes and other charges	<u>(15)</u>	<u>(10)</u>
Total sales transaction costs	<u>(2,887)</u>	<u>(2,584)</u>
<b>Sales net of transaction costs</b>	<u>4,689,994</u>	<u>4,298,529</u>
Sales transaction costs expressed as a percentage of the principal amount:		
Equities: Commissions	0.06%	0.06%
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	0.01%	0.01%
Taxes and other charges	<u>0.00%</u>	<u>0.00%</u>
	<u>0.01%</u>	<u>0.01%</u>

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 depositary in respect of each transaction: 397 760

##### 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 0.12% 0.09%

IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2024

6 REVENUE	30 September 2024	30 September 2023
	£	£
UK dividends	159,734	160,443
Overseas dividends	1,053,331	1,025,110
Bank interest	24,161	19,282
<b>Total revenue</b>	<u>1,237,226</u>	<u>1,204,835</u>
7 EXPENSES	30 September 2024	30 September 2023
	£	£
Payable to the AFM or associate:		
AFM's periodic charge	673,798	620,759
Registration fees	793	954
KIID production costs	1,188	2,362
	<u>675,779</u>	<u>624,075</u>
Other expenses:		
Trustee's fees	18,053	18,024
Safe custody fees	1,153	5,115
Financial Conduct Authority fee	150	407
Audit fee	7,920	7,920
Third party system providers fees	1,975	1,613
Bank interest	1,049	1,094
OOP Expense	-	2,037
Non-executive directors' fees	-	445
Notary fee	-	404
	<u>30,300</u>	<u>37,059</u>
<b>Total expenses</b>	<u>706,079</u>	<u>661,134</u>
8 TAXATION	30 September 2024	30 September 2023
	£	£
a Analysis of the tax charge for the year		
Overseas tax	191,001	112,479
<b>Total tax charge for the year</b> (see note 8(b))	<u>191,001</u>	<u>112,479</u>
b Factors affecting the tax charge for the year		
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for a unit trust (20%). The differences are explained below.		
Net revenue before taxation	531,147	543,701
UK corporation tax at 20% (2023: 20%)	<u>106,229</u>	<u>108,740</u>
Tax effects of:		
Revenue not subject to taxation	(242,613)	(237,111)
Unrelieved excess management expenses	136,384	128,371
Overseas tax	191,001	112,479
<b>Total tax charge for the year</b> (see note 8(a))	<u>191,001</u>	<u>112,479</u>
c Provision for deferred taxation		
At 30 September 2024 the Fund has deferred tax assets of £1,153,038 (2023: £1,016,654) arising from surplus management expenses, which have not been recognised due to uncertainty over the availability of future taxable profits.		



**IFSL CHURCH HOUSE ESK GLOBAL EQUITY FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2024

**9 DISTRIBUTIONS**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>£</b>	<b>£</b>
The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:		
Interim	85,311	106,703
Final	254,799	319,709
Deduct: Amounts received on issue of units	(4,022)	(5,484)
Add: Amounts deducted on cancellation of units	4,821	10,349
Equalisation on conversions	(54)	(4)
Revenue brought forward	(5)	(51)
<b>Distributions</b>	<b>340,850</b>	<b>431,222</b>
Net revenue after taxation	340,146	431,222
Add: Shortfall in the period	704	-
	<b>340,850</b>	<b>431,222</b>

**10 DEBTORS**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>£</b>	<b>£</b>
Amounts receivable for issue of units	38,249	29,521
Accrued income	102,449	64,987
Recoverable overseas withholding tax	45,363	94,835
<b>Total debtors</b>	<b>186,061</b>	<b>189,343</b>

**11 OTHER CREDITORS**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	<b>£</b>	<b>£</b>
Amounts payable for cancellation of units	491	7,903
AFM's periodic charge and registration fees	57,520	52,213
Accrued expenses	9,556	13,637
<b>Total other creditors</b>	<b>67,567</b>	<b>73,753</b>

**12 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 or associates 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 £19,762 (2023: £30,595).

**13 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	1.25%
B Income / Accumulation	0.875%

**14 UNITHOLDERS' FUNDS RECONCILIATION**

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

	<b>A Income</b>	<b>A Accumulation</b>
Opening units in issue at 1 October 2023	4,356,934	126,389
Units issued	374,943	75,704
Units cancelled	(410,066)	(8,518)
Units converted	(36,921)	10,537
Closing units in issue at 30 September 2024	<b>4,284,890</b>	<b>204,112</b>
	<b>B Income</b>	<b>B Accumulation</b>
Opening units in issue at 1 October 2023	8,630,233	2,273,988
Units issued	82,972	173,581
Units cancelled	(387,075)	(244,798)
Units converted	38,023	(11,162)
Closing units in issue at 30 September 2024	<b>8,364,153</b>	<b>2,191,609</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2024

**15 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 £3,539,114 (2023: £3,157,592). A five per cent decrease would have an equal and opposite effect.

**Foreign currency risk**

At the year end date a portion of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by exchange rate movements.

<u>Foreign currency exposure at 30 September 2024</u>	Investments	Net other assets	Total
	£	£	£
Danish krone	1,076,410	4,624	1,081,034
Euro	14,286,361	70,494	14,356,855
Japanese yen	5,956,161	46,709	6,002,870
Swedish krona	2,294,993	-	2,294,993
Swiss franc	7,257,990	39,362	7,297,352
US dollar	37,406,106	22,049	37,428,155
	<u>68,278,021</u>	<u>183,238</u>	<u>68,461,259</u>

<u>Foreign currency exposure at 30 September 2023</u>	Investments	Net other assets	Total
	£	£	£
Danish krone	659,744	25,472	685,216
Euro	13,875,932	72,352	13,948,284
Japanese yen	4,976,626	36,635	5,013,261
Swedish krona	2,571,915	1,653	2,573,568
Swiss franc	6,597,457	54,837	6,652,294
US dollar	32,048,259	72,419	32,120,678
	<u>60,729,933</u>	<u>263,368</u>	<u>60,993,301</u>

**Foreign currency risk sensitivity**

A five per cent decrease in the value of sterling relative to the foreign currencies above would have the effect of increasing the return and net assets by £3,423,063 (2023: £3,049,665). A five per cent increase would have an equal and opposite effect.

**Interest rate risk**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	£	£

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

Financial assets floating rate <sup>A</sup>	488,065	471,956
Financial assets non-interest bearing instruments	70,968,349	63,341,173
Financial liabilities non-interest bearing instruments	(273,938)	(335,061)
	<u>71,182,476</u>	<u>63,478,068</u>

<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.

As most of the Fund's financial assets are non-interest bearing, an interest rate sensitivity analysis has not been included.

**Liquidity risk**

	<b>30 September 2024</b>	<b>30 September 2023</b>
	£	£

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

Within one year:	Distribution payable on income units	206,371	261,308
	Other creditors	67,567	73,753
		<u>273,938</u>	<u>335,061</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2024

**16 FAIR VALUE HIERARCHY FOR INVESTMENTS**

Basis of valuation	30 September 2024		30 September 2023	
	Assets (£)	Liabilities (£)	Assets (£)	Liabilities (£)
Level 1 - Quoted prices	70,782,288	-	63,151,830	-
Level 2 - Observable market data	-	-	-	-
Level 3 - Unobservable data	-	-	-	-
	<u>70,782,288</u>	<u>-</u>	<u>63,151,830</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.

**17 POST BALANCE SHEET EVENTS**

Since 30 September 2024, the Net Asset Value per unit has changed as follows:

	Net Asset Value (pence per unit)		
	30 September 2024 <sup>A</sup>	27 January 2025	Movement (%)
A Income	467.70	506.90	8.38%
A Accumulation	488.20	530.40	8.64%
B Income	469.00	508.10	8.34%
B Accumulation	511.30	556.20	8.78%

<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 ESK GLOBAL EQUITY FUND**

**DISTRIBUTION TABLE**

**Interim distribution for the period from 1 October 2023 to 31 March 2024**

Group 1: units purchased prior to 1 October 2023

Group 2: units purchased on or after 1 October 2023

		Net revenue 31 March 2024 pence per unit	Equalisation 31 March 2024 pence per unit	Distribution paid 31 May 2024 pence per unit	Distribution paid 31 May 2023 pence per unit
A Income	Group 1	-	-	-	0.1570
	Group 2	-	-	-	0.1570
A Accumulation	Group 1	0.1121	-	0.1121	0.1989
	Group 2	0.1121	-	0.1121	0.1989
B Income	Group 1	0.7900	-	0.7900	0.8742
	Group 2	0.7900	-	0.7900	0.8742
B Accumulation	Group 1	0.8549	-	0.8549	0.9588
	Group 2	0.8124	0.0425	0.8549	0.9588

**Final 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	1.0602	-	1.0602	1.4917
	Group 2	0.0206	1.0396	1.0602	1.4917
A Accumulation	Group 1	1.1078	-	1.1078	1.7315
	Group 2	0.1769	0.9309	1.1078	1.7315
B Income	Group 1	1.9241	-	1.9241	2.2747
	Group 2	0.3677	1.5564	1.9241	2.2747
B Accumulation	Group 1	2.1065	-	2.1065	2.4719
	Group 2	0.7200	1.3865	2.1065	2.4719

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