

Golden Leaves Limited and BFD Pre-Paid Funeral Plan Trust Fund

Solvency Assessment Report as at 5 April 2026

Prepared by

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26 September 2026

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Executive Summary

1. This report summarises the solvency assessment for The BFD Pre-Paid Funeral Plan Trust Fund ("the trust"), one of two trusts under Golden Leaves Limited ("GLL") which is authorised by the Financial Conduct Authority ("FCA").
2. Based on the assumptions set out in this report, the trust is solvent, with a solvency level of 159% and a surplus of £1.2m as at 5 April 2026.

Introduction

Purpose and Scope

3. The purpose of this report is to provide the Solvency Assessment Report ("SAR") and assess the solvency of the trust as at 5 April 2026. This solvency assessment has been instructed jointly by GLL and the trust as at 5 April 2026 in line with section 3.2 of the Funeral Plan Conduct of Business sourcebook ("FPCOB").
4. Further information is provided in the supplementary report "Solvency Assessment Report as at 5 April 2026: Detail" dated 26 September 2026.
5. The SAR must contain an actuarial valuation, comparing the value of:
 - the benefits already promised to, or in respect of, plan-holders, with
 - the invested assets.
6. The previous valuation for the trust was carried out as at 31 March 2025. A subsequent valuation will be required as at early April 2027 at the latest, and each subsequent year.
7. In preparing this report and my supplementary report, I have taken account of the professional standards as published by the Actuarial Profession and the Financial Reporting Council, in particular:
 - TAS 100: General Actuarial Standards Version 2.0
 - TAS 400: Funeral Plans
 - Actuarial Profession Standard (APS) Z1: Duties and responsibilities of members undertaking work in relation to UK funeral plans
8. Additionally, this report has been subject to internal peer review by a senior actuary who is not involved in the normal day to day actuarial activities of GLL. As such I believe this peer review may be regarded as "independent" and in keeping with the Actuarial Professional Standard X2: Review of Actuarial Work. No unresolved issues remain as a result of that review.

Background

9. Bristol Funeral Directors sold pre-paid funeral plans in the Bristol area from 1988 until 2022 ahead of the FPCOB coming into force. Since then, GLL has supported the trust. Most plan payments are up-front. The cancellation benefit is the return of premiums less a cancellation fee.

Reliances and Limitations

10. This report is commissioned jointly by GLL and the trust, and must not be relied upon for any purpose other than that set out in the paragraphs above.

Data

11. GLL have provided the following data as at 5 April 2026.
 - Records for each funeral plan as at 5 April 2026.
 - The current estimated cost to GLL of fulfilling each funeral together with assumptions for future funeral cost inflation.
 - The amount of assets within the trust and how these are invested.
 - Background information including the trust deed and funeral director agreements.
 - Accounts information including the debtor amount.
 - The rates of tax that can be expected over the long term.

Methodology and Assumptions

Methodology

12. The liabilities are calculated on a best estimate basis. A best estimate is one that is not deliberately either optimistic or pessimistic. The supplementary report provides further information on the methodology used.

Assumptions

13. The discount rate assumption allows for excess returns above the gilt yield to reflect the higher yields expected from the corporate bond, equity, and property investments.
14. The assumptions made for the SAR valuation are summarised in the following table.

Assumption 05/04/2026	Basis	Assumption
05/04/2026 funeral cost	Cost of providing a funeral	See appendix and supplementary report
Funeral cost inflation	Funeral director agreements, varying by projection year	
Discount rate	Investment manager asset mix, varying by projection year	
Administration expense that is ongoing	Agreements with trustees and external providers	
Administration expense inflation	CPI plus an adjustment for wage inflation	
Cancellation rate	Expected plan-holder cancellation rates	
Tax rate	Expected tax rate charged on investment returns	10%
Mortality	Expected claim rates for the funeral provision	105% ELT17 by male / female plus 1% p.a. future mortality improvement

15. Further information about how the assumptions are derived is provided in “Appendix – Assumptions Further Information” and in my supplementary report.

Actuarial Valuation and Analysis of Change

16. The balance sheet below sets out the results of the actuarial valuation as at 5 April 2026 alongside the results as at 31 March 2025. At the valuation date, the fair value of the trust assets is £3.3m and the liability is £2.1m, resulting in a surplus of £1.2m and a solvency level of 159%. Note that throughout this report, totals are calculated by summing unrounded figures, and so may be slightly different from the sum of the rounded figures shown.

£ m	5 April 2026	31 March 2025
Trust assets	3.3	2.6
Present value of future cash flows:		
Funeral costs	1.6	2.3
Cancellation benefit net of fees	0.5	Nil
Reserve for administration expense that is ongoing	0.0	Nil
Trust liability	2.1	2.3
Trust solvency level = assets / liability	159%	110%
Trust surplus = assets less liability	1.2	0.2

17. Based on how economic conditions have changed from 05 April 2026 to the date of this report, with gilt yields increasing by more than inflation has increased, we would expect the surplus to have increased somewhat and the solvency level to be about 163%.

18. In the period from 31 March 2025 to 5 April 2026, no surplus has been withdrawn.
19. The surplus has increased by £1.0m since 31 March 2025, mainly due to a restatement of the 2025 assets and favourable investment returns.

Conclusion

20. In line with the FCA regulations, the solvency of the trust has been assessed.
21. On a best estimate basis, the trust has a surplus, with assets exceeding liabilities by £1.2m as at 5 April 2026.



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Appendix – Assumptions Further Information

22. Some of the key assumptions and their justification are provided below.

Discount Interest Rate

23. I have derived the discount interest rate for placing a present value on the projected liability cash flows. The discount interest rate reflects expected future investment returns on the trust assets after allowing for investment management charge and tax.

Assumption (annualised rate)	05/04/2026 forward rates by projection year						
	1	2	3	4	5	10	15
Discount rate	6.06%	5.90%	6.01%	6.22%	6.47%	7.53%	7.87%

Administration expense inflation

24. A separate assumption is used to model how the trust's administration expenses for arranging the funeral and ongoing activities are expected to increase in the future. It is assumed that these expenses are subject to increases in line with wages. The rates are shown in the following table.

Assumption (annualised rate)	05/04/2026 forward rates by projection year	
	1	2+
Administration expense inflation rate	2.6%	3.4%

Mortality

25. The mortality assumption is 105% of the standard mortality table ELT17 with 1% per annum future mortality improvement, in line with current industry practices and general population trends.

26. ELT17 is one of a series of English Life Tables published by the Office for National Statistics. It is based on the mortality experienced by the population of England and Wales during the years 2010, 2011 and 2012.

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