

THE GALLAHER TRUST

REPORT OF THE TRUST PROTECTOR *(continued)*

Directors and Board Succession

There have been some further changes to the Board's membership during 2025. These changes reflect the Board's ongoing commitment to keep its membership under review and to do so with regard to the need to ensure a sufficient range of skills and diversity to meet the work of the Trust.

Buta Atwal, who joined the Board in December 2022 will conclude his three year term at the end of December 2025. Stephen Reynolds joined the Board in September 2025, and Ruth Forbes' will be replaced in January 2026 by Sinead Devereaux as the JTI nominee to the Board. I wish to record my thanks to Buta and Ruth for all of their work and dedication to the Trust, and to welcome Stephen and (in due course) Sinead.

In addition, and consistent with its succession strategy, the Board has agreed to co-opt Mike Keating with effect from January 2026, and I look forward to Mike's involvement.

Other matters

My remit as Protector allows me to bring matters to the attention of the Board. In addition to the matters already referenced, I drew the attention of the Directors to the new statutory 'Identity Verification Requirements' at Companies House (which fell due on 18 November 2025). Separately, following street disturbances in Ballymena in the summer of 2025, I advised the Board on the extent of its ability to make a limited financial intervention should it choose to do so.

The Trust continues to benefit from the professional efficiency of Greg McKinley its Director of Operations, and the work of Naked PR who assist the Trust in ensuring that it engages effectively with its delivery partners and reaches those whom it may be able to support.

The Board continues to have a clear and well-defined grant application process, which greatly facilitates not only its consideration of applications, but it also assists potential applicants in determining if they are likely to meet the Trust's funding criteria.

The Board's management of grant applications, its decision-making processes, and the review of its funded projects, are robust. Even so, following a discussion with the Director of Operations, I will be asking the Board to review its funding processes. This is good practice, and the review will include whether the Trust should consider distinguishing between small value and/or short-term funding applications and longer-term higher value project funding, and the terms of its legally binding funding agreements, in order to ascertain if there are any opportunities to further enhance its operational efficiency and funding impact.

I am satisfied that there is good governance within the Trust in the administration of its projects and its ongoing operations.

Financial Matters

I have separately considered the continuing investment, management and use of the endowment received from JTI. This has included receiving and reviewing with the Board the appointed Investment Manager's quarterly reports to the Directors, as well as the routine financial management information provided to the Directors.

At the inception of the Trust, the Directors adopted a Statement of Investment Principles, which includes items such as the Trust's Investment Objectives, Total Return Target, Time Horizon and Risk Profile, Income Requirement, and Investment Benchmark and Asset Allocation. As the life and work of the Trust has evolved, these Investment Principles have been reviewed and amended to ensure that they are aligned with the longer term aims and operation of the Trust.

The original endowment from JTI was £5 million. Although to date £3.1 million has been committed to supported projects (including forward commitments), the current value of the Trust's assets is approximately £4 million of which £3.2 million is uncommitted. This is as a result of the Directors' prudent approach to the investment and professional management of the Trust's funds, and any withdrawals from the investment portfolio required to meet the Trust's funding and administrative requirements are carefully coordinated between the Director of Operations Administrator and the Investment Manager.

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REPORT OF THE TRUST PROTECTOR *(continued)*

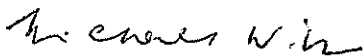
Financial Matters *(continued)*

The Investment Manager usually attends the Board meetings in person. This is helpful as it affords the Directors the opportunity to receive an overview of the performance and mix of the Trust's portfolio in the context of its needs and the wider global economic considerations, and it also facilitates a direct engagement between the Board and the Investment Manager.

In my opinion the Directors continue to have a prudent attitude to risk and the Trust's assets are invested in a manner that is suitable to its ongoing and longer term needs and objectives. I am also satisfied that the Directors have demonstrated their continued adherence to the Trust's Investment Principles.

Conclusion

Overall, I am pleased to report that the management and governance of the Trust remain strong and that it is well positioned to ensure the successful delivery of its charitable objectives.



Michael Wilson

19th January 2026

THE GALLAHER TRUST

TRUSTEE REPORT

The Trustee is pleased to present its annual report together with the financial statements of the charity for the year ending 31 October 2025. The Trustee has adopted the provisions of the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP – FRS102), in preparing the annual report and financial statements of the charity.

Trustee

The trustee who held office during the year was as follows:

- Gallaher Corporate Trustee Limited

It is the directors of Gallaher Corporate Trustee Limited who act as the de facto Trustees of the Charity and are considered the key management personnel of the Trust. All the Trustees provide their services on a voluntary basis, and none receive any form of remuneration or reimbursement of expenses.

The Trust has an induction programme for new Trustees who are advised of their legal obligations as Trustees, briefed on the governance and structure of the Trust and provided with an overview of the Trust's performance in meeting its charitable purposes.

All the directors of the corporate trustee commit to a Code of Conduct and are required to disclose all relevant interests, register them with the Board and in accordance with the Trust's policy withdraw from discussion / decisions where a perceived or actual conflict of interest arises.

Objectives and Activities (and how they deliver public benefit)

The Objects of the Trust are to make awards for charitable purposes for:

- a) the advancement, for the public benefit, of local organisations in Ballymena and its environs with a view to job creation
- b) the development, for the public benefit, of the capacity and skills of the members of socially and economically disadvantaged communities including but not limited to the assistance of disadvantaged adults in Ballymena and its environs in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- c) the advancement, for the public benefit, of knowledge and training regarding health, safety and accident reduction in the workplace; and
- d) the further education of adults in Ballymena and its environs including but not limited to those attending institutions for further education in Northern Ireland.

Volunteers

The Trust operates as a funding body to promote the activities listed above. Aside from the directors of the corporate trustee, who provide their services on a voluntary basis, volunteers are not required.

Achievements and performance

In the financial period, the Trust provided funding of approximately £450,000, which brings the total since commencement to £2,304,008. In total the Trust has committed to funding of up to £3,123,687, resulting in a forward commitment of up to £819,679 as at the balance sheet date. This is directed toward providing skills and training for local organisations and the community, in addition to providing funds for local organisations to promote employment and growth. It is anticipated that this will increase further for the incoming year.

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TRUSTEE REPORT *(continued)*

Financial review

The Trust was founded with £5,000,000 legacy donation from Gallaher Limited, received in December 2017. The majority of this legacy has been placed in an investment portfolio, maintained by investment managers. At the year end, the Trust is in a financially stable position, with net assets of approximately £4.1M.

Investment income for the period amount to £121,452 which was in line with expectation. Gains, losses and revaluations of the share portfolio resulted in a surplus of £292,366. After the deduction of expenditure of £548,056 a net deficit of £134,238 was reported for the year.

During the year the Investment Managers sought to reduce the level of risk in the investment portfolio, which was the strategy approved by the Trustees. The reasons for doing so were:

- a desire to reduce volatility and increase liquidity as the Trust enters the next phase of cash requirements,
- the current rates of return of fixed income assets as compared to prior years,
- the reduced time horizon of the Portfolio moving forward, and
- the proposed future increase in the withdrawal rate.

Structure, governance and management

The charity is a charitable trust governed by its Trust Deed, created on 1st November 2016.

The sole trustee is the company, The Gallaher Corporate Trustee Limited. Its directors are appointed in line with the provisions of the Trust Deed.

A Trust Protector has been appointed to oversee the governance of the Trust.

Reference and administrative details

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|---|---|
| Registered charity name: | The Gallaher Trust |
| Trustee | Gallaher Corporate Trustee Limited |
| Charity Commission registration number: | NIC106498 |
| Registered office: | 22-30 Broadway Avenue Ballymena, BT43 7AA |

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

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TRUSTEE REPORT *(continued)*

Statement of trustee's responsibilities

The trustee is responsible for preparing the financial statements in accordance with applicable law and regulations.

Charity law requires the trustee to prepare financial statements for each financial year. Under that law the trustee has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Charity law the trustee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP-FRS102;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust and enable it to ensure that the financial statements comply with the Charities Act (Northern Ireland) 2008. It is also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director of the Trustee, at the date the Trustee's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

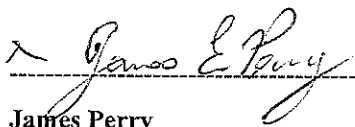
Risk management

The Trust places a high degree of value in ensuring that it has appropriate risk management procedures in place. The key control in this respect is ensuring that the Trustees have full visibility of all financial, operational and governance matters. All financial and operational matters are presented to the Trustees for approval and review to ensure that they are at all times consistent with the Trust's objectives. The appointment of the Trust Protector introduces a further level of governance control, who ensures that the Trustees operate within the desired framework of the Trust Deed.

Auditors

A resolution to appoint auditors will be proposed at the Annual General Meeting.

Approved by the Board as at 27th March 2026 and signed on its behalf by:



James Perry

Director of corporate trustee