



for Charities

COIF Charities Property Fund

Report and Accounts

Year ended 31 December 2010

Contents

- 3** Report of the Board
- 5** Report of the Property Manager
- 9** Report of the Independent Auditor
- 11** Report of the Valuer
- 12** Report of the Corporate Trustee
- 13** Net asset value, unit price range, net distribution, unit prices and total expense ratios
- 15** Portfolio analysis
- 17** Portfolio statement
- 17** Ownership of the Fund
- 18** Property portfolio
- 26** Statement of total return
- 27** Statement of change in net assets attributable to unitholders
- 28** Balance sheet
- 29** Cash flow statement
- 30** Notes to the accounts
- 39** Distribution table
- 40** Statement of Board, Corporate Trustee and Manager responsibilities

Details of Board and Manager

(inside back cover)

Description of The COIF Charity Funds

(outside back cover)

Disability Discrimination Act 1995

Extracts from the Report and Accounts are available in large print and audio formats.

Report of the Board

for the year ended 31 December 2010

On behalf of the Board, we have pleasure in presenting our annual report of COIF Charities Property Fund (the Fund).

Structure and management of the Fund

The Fund was established as a common investment fund by a Charity Commission Scheme dated 12 July 2002 under section 24 of the Charities Act 1993. The Fund was launched on 29 August 2002.

The Financial Services Authority (FSA) rules for the operation of Unregulated Collective Investment Schemes apply to CCLA Investment Management Limited's (the Manager) management of the Fund, whereas the management of direct property within the Fund is outside the scope of the Financial Services and Markets Act 2000 (FSMA).

The property management, administration, registrar and secretarial functions of the Fund have been delegated to the Manager. The Fund has a Board which meets at least four times per annum to receive reports and monitor the progress of the Fund. The Board, created under the Scheme, is made up of individuals appointed under the Scheme. Together, these individuals have wide experience of finance, direct property, investments, charities and the law. No Board member is required to be authorised by the FSA because no Board member carries out regulated activities in relation to the Fund.

The Board is responsible for setting and subsequently advising on the investment policy of the Fund, monitoring performance, obtaining Charity Commission orders for the appointment

and discharge of the Manager and Corporate Trustee (the Trustee), appointing the Auditor to the Fund and agreeing the fees charged by the Trustee, the Manager and the Auditor.

The Trustee, HSBC Bank plc, appointed under the Scheme, is responsible for the supervision and oversight of the Manager's compliance with the Scheme and Scheme Particulars, and also for the custody and safekeeping of the property of the Fund. It is also responsible for the appointment and supervision of the Registrar of the Fund. The division between management and trustee functions provides an additional layer of protection for unitholders.

Objective and benchmark

The Fund aims to achieve a high and sustainable level of income and some capital appreciation.

The total return benchmark for the Fund is the IPD Quarterly Universe, excluding the smallest and largest 5% of Funds by size and single asset companies.

Investment policy

Investments

The Fund will principally invest in direct freehold, heritable and leasehold property assets within the United Kingdom (UK). Direct assets may comprise retail, office, industrial and residential property. Additionally, the Fund may finance the development of, or improvements to, direct property assets and, where appropriate, the purchase of a right or interest in land held on a freehold, heritable or leasehold basis.

The Fund may also invest in the shares and loan stock of listed property companies,

Report of the Board

for the year ended 31 December 2010

property funds, specialist property unit trusts, limited partnerships and joint ventures investing in direct property assets. The Fund will not invest more than 5%, at the time of investment, of its total assets in any property collective investment scheme, and not more than a total of 15% in property collective investment schemes as a whole. The Fund will not invest more than 5%, at the time of investment, of its total assets in any individual security of a listed property company, limited partnership or joint venture, and not more than a total of 15% in such investments as a whole.

The investment policy may mean that at times it is appropriate for the Fund not to be fully invested but to hold cash or near cash. In extreme conditions, the Manager may raise or reduce the liquidity of the Fund from normal working levels within a band of 0% to 20% of its total assets.

Balance between different kinds of investment

The balance between the different kinds of investment is established by reference to the sector allocation of the performance benchmark and the Manager's judgment of the future returns likely to be obtained on each type of property. To control risk, the differences are regularly monitored and reviewed by both the Manager and the Board.

Review of investment activities and policies of the Fund

The Board met quarterly during the year to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to monitor investment diversification,

suitability and risk and to review the performance of the Fund. In addition, the Board monitored the administration, expenses and pricing of the Fund.

During the period, the Board also met quarterly with the Property Manager to review investments, transactions and policies of the Fund. The Property Manager's Report, which appears later, provides further details.

Borrowing powers

Under the Scheme of the Fund, the Manager may borrow a maximum of 25% of the net asset value of the property of the Fund to assist with investing in, improvements to, or the managing of property and the short-term financing of, or meeting payments to be made out of the Fund.

Controls and risk management

The Board receives and considers regular reports from the Manager. Ad hoc reports and information are supplied to the Board as required. The Manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

During the period, the Board, assisted by the Manager, reviewed the Fund's systems of internal control. Every six months the Board receives from the Manager, and reviews a formal risk management report setting out the main risks facing the Fund, the controls

Report of the Board

for the year ended 31 December 2010

in place to mitigate those risks and the assessment of each risk in terms of both gross and residual exposure after application of mitigating controls.

D Henderson
Chairman of the Board
14 April 2010

Report of the Property Manager

for the year ended 31 December 2010

Performance

Over the year the total return of the COIF Charities Property Fund, before expenses, was 15.2%. The performance of the Fund as at 31 December 2010 is noted in the table below along with results recorded by the benchmark, the IPD Quarterly Universe.

The price of an Income Unit as at 31 December 2009 was 97.26p. By the 2010 year end

this had risen to 103.36p, a 6.3% capital return. Income payments augmented these returns with the 7.57p paid to investors being equivalent to an annual income return of 7.8%. The income payment for 2010 was 2.0% greater than the payment for 2009. The annual income distribution yield of the Fund on the year end price is 7.3%. The Accumulation Units ended the year at 166.84p compared with 145.88p in December 2009.

COIF Charities Property Fund Annualised total capital and income return

To 31 December 2010	1 year %	3 years % p.a.	5 years % p.a.
<u>Performance against benchmark (before expenses)</u>			
COIF Charities Property Fund	+15.15	-1.59	+2.18
IPD Quarterly Universe	+15.12	-2.78	+0.91
<u>Performance after expenses</u>			
Income units*	+14.30	-2.24	+1.39
Accumulation units*	+14.37	-2.23	+1.37

*Net asset value to net asset value plus income reinvested.

Source: The Manager/IPD.

Report of the Property Manager

for the year ended 31 December 2010

Market review

After two years of downturn, an improvement in fortunes eventually began in the final months of 2009. Initially, the scale and pace of the recovery exceeded expectations and this improvement provided the catalyst to stimulate market activity; investors with access to capital were keen to lock-in to an asset class offering high yields and recovery potential, whilst the low value of Sterling also attracted overseas investors. In a self supporting cycle the subsequent pick-up in transaction volumes boosted investor confidence further and added additional momentum to both market activity and investment returns. The higher valuations were sustained in the second half of 2010, although the pace of growth slowed sharply and transaction volumes reduced. This reflected a natural pause after strong growth but also a weakening in sentiment as investors were faced with mixed economic and market news. This coincided with the quiet summer period and the result was that buyers held off from the market.

Against this background overall market returns have been strong. The IPD Monthly Index recorded capital growth for all property of 6.9% over the twelve month period, whilst the total return including income has been 14.5%. All sectors of the market have benefited from this improvement, with both high street shop and retail warehouse properties initially leading the way, to be followed by strong growth from central London offices. There a clear divergence in fortunes between prime and secondary (less secure income) investments, some

of which have started to display valuation weakness, and also between sectors and geographical regions. Although the pace of decline has eased over the year, rental valuations have fallen by 0.8% and property vacancy rates have remained high at 9.8%, although are below their peak. The absence of rental growth means that letting void accommodation is an important source of income growth for property investment portfolios.

Activity

The Fund undertook significant investment activity during 2010. Twelve new acquisitions were completed in all and three properties were sold. Industrial properties at Willis Way, Poole, Trafford Park in Manchester and at Eurocentral Business Park near Glasgow were all purchased during the first half of the year, along with an office property on the Strathclyde Business Park, Glasgow. In July, the Fund purchased three retail warehouse units comprising the Salmon Retail Park in Hereford and just before year end four new office investments comprising six properties were acquired on the Solent Business Park on the M27 near Southampton, together with three office properties on Grove Park Leicester. The total investment in this programme was some £36m, producing a blended yield of around 8.7%. At the beginning of the year the Fund completed the sale of its industrial holding in Milton Keynes for £3.5m and in September disposed of the Halfords retail warehouse in Peterborough for £2.55m. The low-yielding office and retail London West End property at Conduit Street

Report of the Property Manager

for the year ended 31 December 2010

was sold in October. The latter sale produced receipts of £10.75m which substantially funded the purchase of the much higher yielding office investments in Southampton and Leicester.

Overall management activity has been positive for portfolio income. A number of rent reviews have been completed successfully, including the T K Maxx retail warehouse holding in Northampton, where a substantial increase in rent can be back-dated to 2008. Rental increases have also been achieved on the industrial property in Bow London E3 and the retail units at Westgate Street Bath and East Street Chichester. Leases were renewed to the fourth floor west office suite at 1-3 College Hill in the City of London and at units 1/1A and 2C at the North Farm Industrial Estate in Tunbridge Wells. New lettings have been achieved at Tunbridge Wells, in respect of unit 2B; for the third floor office suite at 7-8 Conduit Street, the part ground floor suite at 1-3 College Hill and to suites in the Glasgow offices at 100 West Regent Street and 144 West George Street. A shop unit at 107 Pinstone Street Sheffield was also let. This very considerable letting activity has reduced the effective void rate over the year from 4% to 1.6%. This compares with the IPD void rate of 9.8%.

Strategy

The Fund holds a well diversified portfolio of property assets in support of an investment policy that places emphasis on income yield and active management to add value. The Fund holds good weightings to the retail and

office sectors, the latter having been boosted by recent acquisitions. The Fund is now almost fully invested, however the opportunity remains to add attractively priced, good quality assets to the portfolio, either through the investment of new monies or by recourse to the borrowing facility.

We expect near term performance from the sector to be dominated by income flows and as a result we seek to capitalise on the current yield margin between prime and more secondary graded investments. The economic and financial market environment is one where a prudent investment policy is appropriate. This, together with a careful control of the cash weighting, will be important influences on performance in the period ahead. In a climate in which reversions and rental growth remain uncertain the focus will remain on securing and maintaining income through lease renegotiation and asset management. The strategy is minimising future voids as a priority.

Outlook

Whilst some significant challenges remain, the scale of the downside risks for valuations should not be overstated. Trading volumes picked up again in the final quarter of 2010 and the weakness of pricing so far has been concentrated in secondary stocks with less secure income streams. Capital trends have remained slightly positive as investor support has continued for prime investments in general and Central London markets in particular, with competition remaining for a limited supply of attractive investment opportunities. At

Report of the Property Manager

for the year ended 31 December 2010

some point the differential between prime and secondary investments will make the latter attractive to investors able to accept a higher level of risk. In the medium term we expect investor returns to be dominated by income flows with the contribution from capital relatively flat.

R Halliday
Fund Manager
CCLA Investment Management Limited
14 April 2011

Risk warning

The Fund's units and the revenue from them can fall as well as rise and an investor may not get back the amount originally invested. Past performance is no guarantee of future returns.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved even where such sale occurs shortly after the valuation point

The performance of the Fund could adversely be affected by a downturn in the property market in terms of capital value or a weakening of rental yields. The revenue received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the Fund and the rents paid by these tenants. Rental revenues and property values are affected by changes

in general economic climate and local conditions.

Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant credit worthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investment in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

The Fund's units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only on each monthly dealing day and a period of up to six months may be imposed for redemption of units depending on Fund liquidity.

The Manager may borrow a maximum of 25% of the net asset value of the property of the Fund which may increase the volatility within the Fund.

Report of the Independent Auditor to the unitholders of COIF Charities Property Fund

We have audited the financial statements of COIF Charities Property Fund (“the Fund”) for the year ended 31 December 2010 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Unitholders, Balance Sheet, Cash Flow Statement, the related notes 1 to 17 and the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the unitholders of the Fund, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 unitholders of the Fund, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the manager and auditors

As explained more fully in the Statement of Manager’s Responsibilities set out on page 40, the manager is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to

audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the manager; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 December 2010 and of the net revenue and the net gains on the scheme property of the Fund for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Report of the Independent Auditor

to the unitholders of COIF Charities Property Fund

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

Ernst & Young LLP
Statutory Auditor
London
14 April 2011

Report of the Valuer

Dear Sirs,

The COIF Charities Property Fund valuation as at 31 December 2010

In accordance with your instructions, we have valued all the property investments owned by The COIF Charities Property Fund as at 31 December 2010. The valuation has been prepared on the basis of Market Value in accordance with the current edition of the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors (RICS). We understand that our valuation is required for unit pricing and accounts purposes.

We are of the opinion that the aggregate Market Values of all the properties held by the Fund as at 31 December 2010 was:

£134,320,000

(One hundred and thirty four million, three hundred and twenty thousand pounds)

Details of the basis of our valuation and the individual properties are set out in our Report and Valuation addressed to you and dated 31 December 2010.

BNP Paribas Real Estate
90 Chancery Lane,
London WC2A 1EU
31 December 2010

Report of the Corporate Trustee

for the year ended 31 December 2010

Statement of the Trustee's responsibilities in respect of the Scheme

We confirm that based upon the information available to us, we are of the opinion that the Manager of the scheme has in all material respects managed the scheme during the period covered by these accounts in accordance with the limitations imposed upon the investment and borrowing powers of the Manager and Trustee, and in accordance with the provisions of the Scheme.

HSBC Bank plc

This report is given on the basis that no breaches are subsequently advised to us by the Auditors before the distribution date. We therefore reserve the right to amend the report in the light of such circumstances.

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
London E14 5HQ

HSBC Bank plc is authorised and regulated by the Financial Services Authority

14 April 2011

Net asset value, unit price range, net distribution, unit prices and total expense ratios

Net asset value

At 31 December	Net asset value £'000	Income units		Accumulation units	
		Net asset value pence per unit	Number of units in issue	Net asset value pence per unit	Number of units in issue
2008	97,886	99.15	96,302,935	137.12	1,736,334
2009	114,842	97.26	116,066,279	145.88	1,344,828
2010	136,549	103.36	127,739,283	163.92	1,468,985

Unit price range

Year to 31 December	Income units		Accumulation units	
	Highest offer pence per unit	Lowest bid pence per unit	Highest offer pence per unit	Lowest bid pence per unit
2006	153.85	130.32	189.79	154.98
2007	158.35	135.15	201.42	175.75
2008	136.50	97.61	177.50	134.90
2009	101.08	83.93	148.43	120.70
2010	107.56	97.30	169.76	145.99

Net distribution

Year to 31 December	Income units		Accumulation units	
	Annual distribution pence per unit	Yield on units held for the year % *	Annual distribution pence per unit	Yield on units held for the year % *
2006	6.55	4.91	7.57	4.77
2007	6.70	4.48	7.33	3.86
2008	7.20	5.15	9.98	5.49
2009	7.42	7.36	10.18	7.30
2010	7.57	7.53	11.43	7.58

* Yield expressed as a percentage of the unit offer price at the beginning of the year.

Net asset value, unit price range, net distribution, unit prices and total expense ratios

Unit prices at 31 December 2010

	<i>Bid price pence per unit</i>	<i>Offer price pence per unit</i>
Income units	101.76	105.16
Accumulation units	164.25	169.76

The unit prices are published in the *Financial Times* and on the Manager's website at www.ccla.co.uk.

The bid and offer prices are calculated on the net asset value minus or plus a 1.55% deduction or a 1.75% surcharge respectively.

Expense ratios

	31.12.2010	31.12.2009
Total expense ratio	0.79%	0.79%
Property expense ratio	0.25%	0.69%

The total expense ratio is the ratio of the Fund's total operating costs to its average net assets calculated over the year. The property expense ratio is the ratio of the Fund's direct costs incurred in managing and maintaining the individual properties to its average net assets calculated over the year. These expenses are further detailed in note 4.

Portfolio analysis

at 31 December 2010

Rent review frequency

<i>Review period</i>	<i>Annual rents as at 31.12.2010</i>		<i>Annual rents as at 31.12.2009</i>	
	<i>£</i>	<i>%</i>	<i>£</i>	<i>%</i>
5 years	10,518,540	95.66	8,288,210	98.26
Other	477,777	4.34	146,599	1.74
	<u>10,996,317</u>	<u>100.00</u>	<u>7,622,341</u>	<u>100.00</u>

Tenants' unexpired lease terms

	31.12.2010	<i>31.12.2009</i>
<i>Unexpired term</i>	<i>%</i>	<i>%</i>
Over 10 years	16.59	20.77
5-10 years	38.06	36.21
Under 5 years	43.73	39.04
Void	1.62	3.98
	<u>100.00</u>	<u>100.00</u>

Lease termination is calculated at first break clause, if any.

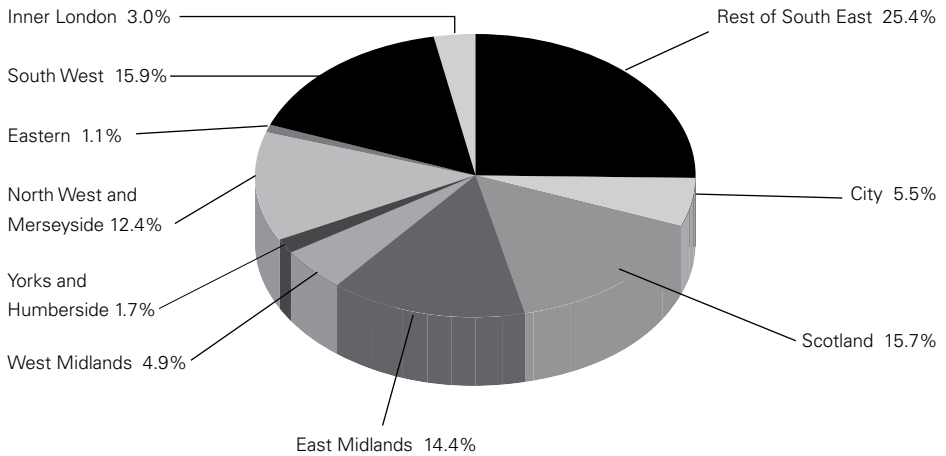
Use of capital

	31.12.2010		<i>31.12.2009</i>	
	<i>£'000</i>	<i>%</i>	<i>£'000</i>	<i>%</i>
Completed properties	134,320	98.06	106,100	92.05
Net other assets	2,558	1.94	9,159	7.95
	<u>136,878</u>	<u>100.00</u>	<u>115,259</u>	<u>100.00</u>

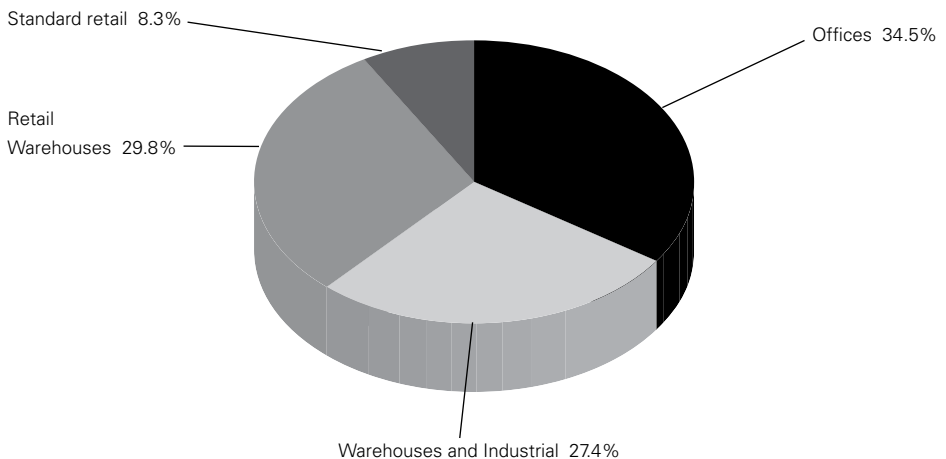
Property analysis

at 31 December 2010

Geographical distribution



Asset by type



Portfolio statement

at 31 December 2010

	<i>£'000</i>	<i>% of Fund</i>
Properties		
Valued between £0m and £5m	73,515	53.67
27 properties		
Valued between £5m and £10m	50,755	37.05
8 properties		
Valued between £10m and £15m	10,050	7.34
1 property		
	<u>134,320</u>	<u>98.06</u>
Net other assets	2,558	1.94
Net assets	<u>136,878</u>	<u>100.00</u>

Ownership of the Fund

at 31 December 2010

Ownership band at 31 December 2010	<i>Number of investors</i>	<i>Number of units in issue £'000</i>	<i>% of units in issue</i>
Less than 1%	283	4,216	29.82
1% or greater but less than 2%	3	5,551	4.28
2% or greater but less than 4%	0	-	-
4% or greater but less than 8%	2	11,490	8.86
Greater than 8%*	1	74,007	57.04
		<u>95,264</u>	<u>100.00</u>

* COIF Charities Investment Fund has a holding of 74,007,281 units.

Property portfolio – shops

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
76/77 East St CHICHESTER	C&J Clark International Ltd	15 yrs 22.3.00	5 yrs	-	210,000	0-5
	West Sussex County Council	10 yrs 2.1.03	5 yrs	-	56,000	
	West Sussex County Council	10 yrs 12.8.03	5 yrs	-	5,500	
37 East St DERBY	The Outdoor Group Ltd	10 yrs 4.12.08	5 yrs	2013	115,000	0-5
85-89 High St DUNFERMLINE	Mackays Stores Ltd	25 yrs	5 yrs	-	185,000	0-5
95-107 Pinstone St SHEFFIELD	Greggs plc	10 yrs 24.6.02	5 yrs	2007	26,000	0-5
	JD Sports Fashion plc	10 yrs 29.9.98	5 yrs	-	55,000	
	Matthew Rowbotham	20 yrs 29.9.97	5 yrs	-	30,000	
	Hair Cuttery Ltd	10 yrs 22.4.04	5 yrs	2009	30,000	
	Mrs Jayne Rippon	5 yrs 8.12.10	5 yrs	-	35,000	
	Cheltenham & Gloucester	15 yrs 26.4.04	5 yrs	2009	36,000	

Property portfolio – offices/shops

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
1-3 Westgate Buildings BATH	Pizza Hut (UK) Ltd	15 yrs 17.11.04	5 yrs	2014	86,500	0-5
	Future Publishing Ltd	25 yrs 18.5.88	5 yrs	-	64,000	

Property portfolio – offices

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
74-76 George St EDINBURGH	The Noble Group Ltd	25 yrs 7.7.97	5 yrs	2012	172,000	0-5
Unit 1450 Solent Village, FAREHAM	Matchtech Group UK Ltd	16 yrs 12.3.01	5 yrs	2011	285,000	0-5
Unit 1490 Solent Village, FAREHAM	Matchtech Group UK Ltd	7 yrs 4.6.10	5 yrs	2015	83,700	0-5
Unit 1550 Solent Village, FAREHAM	Partners of Shoosmiths	15 years 27.11.03	5 yrs	2013	262,845	0-5
Unit 1570, 1580 AND 1590, FAREHAM	Aviva Life and Pensions UK Ltd	25 yrs 25.3.91	5 yrs	2011	75,000	0-5
	The Office Design Team Ltd	10 yrs 13.9.10	5 yrs	2015	43,410	
	Rent Guarantee First Floor	2 yrs 20.12.10	-	-	49,485	
	Tikit Group Plc	10 yrs 26.11.10	5 yrs	2015	80,000	
Strathclyde Business Park GLASGOW	Scottish Enterprise	25 yrs 18.12.92	5 yrs	2012	364,300	0-5
144 West George St GLASGOW	Optical Express (Westfield) Ltd	1 yr 22.6.10	-	-	14,728	0-5
	Terrace Hill Group Ltd	15 yrs 12.2.07	5 yrs	2012	55,722	

Property portfolio – offices

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
144 West George St GLASGOW (cont.)	Optical Express (Westfield) Ltd	5 yrs 7.8.08	-	-	69,000	
	Allsop Residential Investment Management	5 yrs 15.4.08	-	-	39,410	
	Midland Valley Exploration Ltd	10 yrs 11.11.05	5 yrs	-	57,022	
	The City and Guilds of London	10 yrs 21.2.05	5 yrs	-	57,555	
	Partners & Trusts Firm of Simpson & Marwick	10 yrs 9.6.09	5 yrs	2014	65,909	
	JM Architects Ltd	10 yrs 28.5.04	5 yrs	-	56,220	
	EBV Elektronik GMBH & Co KG	10 yrs 26.2.01	5 yrs	-	35,500	
	Optical Express (Westfield) Ltd	3 yrs 3.11.08	-	-	2,000	
100 West Regent St, GLASGOW	Thus Group Holdings Plc	25 yrs 30.3.00	5 yrs	2010	56,455	0-5
	Save & Invest (Financial Planning)	10 yrs 18.6.07	5 yrs	2012	75,000	
	Space and people plc	10 yrs 22.7.10	5 yrs	2015	69,890	
	Woolgar Hunter Ltd	10 yrs 6.4.06	5 yrs	2011	72,617	

Property portfolio – offices

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
100 West Regent St, GLASGOW (cont.)	SI Associates Ltd	10 yrs 10.10.06	5 yrs	2011	26,450	
	Woolgar Hunter Ltd	10 yrs 14.12.06	5 yrs	2011	20,285	
	Absolute Invoice Finance Ltd	10 yrs 16.9.08	5 yrs	2013	63,900	
	Woolgar Hunter Ltd	5 yrs 11.9.06	-	-	2,500	
	Vodafone	15 yrs 7.12.04	5 yrs	2010	11,456	
	The Governor and Company of the Bank of England	3 yrs 9.4.08	-	-	5,000	
4 Smith Way LEICESTER	Leicestershire County	15 yrs 25.12.98	5 yrs	-	308,500	0-5
3 Penman Way LEICESTER	HSBC Bank plc	10 yrs 18.4.06	5 yrs	2011	237,000	0-5
7 Lewis Court, LEICESTER	The Audit Commission for Local Authorities	15 yrs 29.9.07	5 yrs	2012	182,200	0-5
1-3 College Hill LONDON	Religare Capital Markets (UK) Ltd	10 yrs 5.3.08	5 yrs	2013	123,235	0-5
	Drake Beam Morin plc	5 yrs 6.5.09	-	-	96,870	
	Hedley Foundation Ltd	10 yrs 25.3.08	5 yrs	2013	41,426	
	Citifocus	10 yrs 24.6.02	5 yrs	-	78,070	

Property portfolio – offices

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
1-3 College Hill LONDON (cont.)	Scott Harris UK Ltd	5 yrs 6.5.10	-	-	44,550	
	G4S International Logistics (UK) Ltd	5 yrs 29.9.06	-	-	34,000	
	Southern Steamships (London) Ltd	5 yrs 25.3.08	5 yrs	-	37,500	
	William Heard	10 yrs 29.9.04	5 yrs	-	32,500	
	Knightsbridge Guarding Ltd	5 yrs 24.9.09	-	-	93,144	
	Macrae Roxburgh Appleby Ltd	5 yrs 5.7.10	-	-	12,000	
Gateway House The Anchorage MANCHESTER	Barclays Bank plc	25 yrs 29.9.91	5 yrs	2011	68,715	0-5
	BUPA Investments Ltd	5 yrs 24.6.07	-	-	80,000	
	BUPA Investments Ltd	5 yrs 24.6.07	-	-	80,000	
82-90 London Road ST ALBANS	West Herts Community NHS Trust	25 yrs 19.7.94	5 yrs	2014	132,000	0-5

Property portfolio – warehouses/industrial

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
1600 Aztec West BRISTOL	Spandex Ltd	15 yrs 22.1.01	5 yrs	2011	846,270	0-5
11 Barnett Way GLOUCESTER	Hydro Aluminium Extrusion Ltd	8 yrs 3.5.07	5 yrs	2010	52,006	0-5
	British Energy Generation Ltd	5 yrs 12.9.06	-	-	32,250	
	Easynet Telecommunications Ltd	15 yrs 14.5.01	5 yrs	2011	31,600	
7 St Andrews Way, LONDON	Westex Ltd	25 yrs 16.11.94	5 yrs	2014	286,800	0-5
Unit G1 Touchet Hall Road MANCHESTER	Norbert Dentressangle Logistics Ltd	25 yrs 3.7.95	5 yrs	-	352,500	0-5
Westpoint Enterprise Park MANCHESTER	T M Vending Ltd	25 yrs 25.12.89	5 yrs	2009	250,000	0-5
Eurocentral MOTHERWELL	City Link Property (Holdings) Ltd	15 yrs 2.9.02	5 yrs	2012	199,500	0-5
Dimensions House NORTHAMPTON	Clipper Logistics Group Ltd	10 yrs 24.3.05	5 yrs	-	474,000	0-5
35 Willis Way Industrial POOLE	Sunseeker International Ltd	20 yrs 26.4.02	5 yrs	2012	272,000	0-5
Units 1 & 2 Longfield Road TUNBRIDGE WELLS	Fox Print Services	10 yrs 25.3.10	5 yrs	2015	85,000	0-5

Property portfolio – warehouses/industrial

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
Units 1& 2 Longfield Road TUNBRIDGE WELLS (cont.)	SH Muffet Ltd	10 yrs 24.3.10	5 yrs	2015	89,885	
	Fox Print Services	10 yrs 24.9.10	-	2015	72,775	
Javelin Park WEDNESBURY	W H Smith Trading Ltd	15 yrs 20.12.04	5 yrs	-	269,000	0-5
Chorley Retail Park, CHORLEY	Wickes Building Supplies Ltd	25 yrs 24.10.00	5 yrs	2010	330,000	0-5
	DP Realty Ltd t/a Domino's Pizza	25 yrs 24.10.00	5 yrs	2010	17,500	
	Blockbuster Entertainment Ltd	15 yrs 24.10.00	5 yrs	2010	45,500	
	BJR Foods Ltd t/a KFC	20 yrs 24.10.00	5 yrs	2010	57,000	
Holmer Road HEREFORD	B & M Retail Ltd	5 yrs 9.10.09	-	-	160,000	0-5
	Dreams Plc	25 yrs 3.7.94	5 yrs	2014	119,325	
	Dunelm Soft Furnishings Ltd	25 yrs 3.7.94	5 yrs	2014	168,000	
100 Regent Road MANCHESTER	Staples UK Ltd	15 yrs 29.9.03	5 yrs	2013	237,500	0-5
Snowden Drive MILTON KEYNES	Wickes Building Supplies Ltd	15 yrs 3.10.03	5 yrs	2013	638,750	5-10
St Peter's Way NORTHAMPTON	NBC Apparel t/a TK Maxx	15 yrs 24.6.03	5 yrs	2013	347,500	0-5

Property portfolio – warehouses/industrial

at 31 December 2010

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
Portway Road OLDBURY	Matalan Retail Ltd	25 yrs 17.11.95	5 yrs	2010	242,550	0-5
230-234 Winchester Road SOUTHAMPTON	CDS (Supertoires Intl)	20 yrs 28.11.03	5 yrs	2013	431,037	0-5

Statement of total return

for the year ended 31 December 2010

	<i>Notes</i>	<i>31.12.2010</i>		<i>31.12.2009</i>	
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Income					
Net capital gains/(losses)	2		8,459		(94)
Revenue	3	9,357		7,830	
Expenses	4	<u>(1,358)</u>		<u>(1,285)</u>	
Net revenue			<u>7,999</u>		<u>6,545</u>
Total return before distributions			16,458		6,451
Finance costs: distributions	6		<u>(9,518)</u>		<u>(7,475)</u>
Change in net assets attributable to unitholders from investment activities			<u>6,940</u>		<u>(1,024)</u>

The notes on pages 30 to 39 form part of these accounts.

Statement of change in net assets attributable to unitholders

for the year ended 31 December 2010

	31.12.2010		31.12.2009	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		115,259		98,295
Amounts receivable on issue of units	15,942		25,737	
Amounts payable on cancellation of units	<u>(1,428)</u>		<u>(7,907)</u>	
		14,514		17,830
Change in net assets attributable to unitholders from investment activities		6,940		(1,024)
Retained distribution on accumulation units		<u>165</u>		<u>158</u>
Closing net assets attributable to unitholders		<u>136,878</u>		<u>115,259</u>

The notes on pages 30 to 39 form part of these accounts.

Balance sheet

at 31 December 2010

		31.12.2010		31.12.2009	
	Notes	£'000	£'000	£'000	£'000
ASSETS					
Investment assets	7		134,320		106,100
Debtors	8	1,122		1,051	
Cash and bank balances	9	6,544		12,797	
Total other assets			7,666		13,848
Total assets			141,986		119,948
LIABILITIES					
Creditors	10	2,307		2,228	
Distribution payable on income units		2,801		2,461	
Total liabilities			5,108		4,689
Net assets attributable to unitholders			136,878		115,259
Approved on behalf of the Board 14 April 2011				D Henderson Chairman	

The notes on pages 30 to 39 form part of these accounts.

Cash flow statement

for the year ended 31 December 2010

	Notes	31.12.2010		31.12.2009	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	16		8,010		6,912
Net cash inflow from financing activities					
Issue of units		15,943		25,737	
Cancellation of units		(1,428)		(7,907)	
Distributions paid		<u>(9,013)</u>		<u>(6,686)</u>	
			5,502		11,144
Net cash (outflow)/inflow from investment activities					
Capital expenses	7	(916)		(259)	
Payments to acquire investments	7	(35,649)		(18,870)	
Proceeds on disposal of investments	7	<u>16,800</u>		<u>7,960</u>	
			(19,765)		(11,169)
(Decrease)/increase in cash	17		<u>(6,253)</u>		<u>6,887</u>

The notes on pages 30 to 39 form part of these accounts.

Notes to the accounts

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of properties, and in accordance with accounting policies set out below and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

Part 1.3 and 2.2 of The Association of Real Estate Funds' Code of Practice relating to the format of Property Collective Investment Schemes' accounts has been followed in the preparation of these accounts.

(b) Revenue recognition

Rental revenue, interest on bank deposits and COIF Charities Deposit Fund balances are accrued on a daily basis.

(c) Expenses

During the year, the Manager's periodic charge, paid to the Manager, was charged to the capital of the Fund. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.65% p.a. plus VAT. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. The Fund receives a management fee rebate credited to the revenue of the Fund for its deposits in the COIF Charities Deposit Fund, where management fees are charged to revenue. The Trustee fee, audit, legal, insurance, property valuation fees and direct property fees are charged separately to the revenue of the Fund before distribution.

(d) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in revenue which arise over the years (see note 11).

(e) Capitalised costs

All costs associated with buying, selling and development of properties are charged to capital. Other expenses, including the property valuation fees payable to BNP Paribas Real Estate, are deducted from revenue.

Notes to the accounts

(f) Basis of valuation

Freehold and leasehold properties are valued at each monthly dealing date and at quarter-end dates on the basis of Market Value in accordance with the current RICS Appraisal and Valuation Standards (The Red Book) as advised by BNP Paribas Real Estate, Chartered Surveyors.

2. Net capital gains/(losses)	31.12.2010	31.12.2009
	£'000	£'000
The net capital gains/(losses) during the period comprise:		
Non-derivative securities	<u>8,459</u>	<u>(94)</u>
3. Revenue	31.12.2010	31.12.2009
	£'000	£'000
Rental revenue	9,285	7,497
Interest on the COIF Charities Deposit Fund	59	81
Bank Interest	-	1
Lease surrender premium	-	200
Other revenue	13	51
	<u>9,357</u>	<u>7,830</u>
4. Expenses	31.12.2010	31.12.2009
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(c)	825	577
Manager's periodic charge rebate – see note 1(c)*	(21)	(10)
	<u>805</u>	<u>567</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee Fee	44	33
Bank charges	25	-
	<u>69</u>	<u>33</u>

Notes to the accounts

Other expenses:	31.12.2010	31.12.2009
	£'000	£'000
Insurance fee	2	2
Audit fee	7	7
Investment property database fee	-	8
Loan finance cost	-	13
Property ground rent and empty rates	-	72
Property legal and professional fees	159	124
Property valuation fees	80	63
Property non-recoverable insurance	-	14
Property non-recoverable repairs and maintenance	-	10
Property service charge	127	367
Property empty rates	111	-
Property other expenses	(1)	5
	<u>484</u>	<u>685</u>
Total expenses	<u>1,358</u>	<u>1,285</u>

The above expenses include VAT where applicable.

* This amount represents the rebate of management fees credited to the Fund's revenue for its holding in the COIF Charities Deposit Fund where management fees are charged to revenue.

5. Taxation

The Fund is exempt from UK income and capital gains tax due to its charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988.

Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all appropriate UK taxation has been both reclaimed and recovered.

Notes to the accounts

6. Finance Costs Distributions

Distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	31.12.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
31 March – interim distribution	2,112	1,671
30 June – interim distribution	2,240	1,766
30 September – interim distribution	2,444	1,649
31 December – final distribution	2,853	2,497
	<u>9,649</u>	<u>7,583</u>
Add: revenue deducted on cancellation of units	11	83
Deduct: revenue received on issue of units	(142)	(191)
Net distribution for the period	<u>9,518</u>	<u>7,475</u>
Net revenue for the year	7,999	6,545
Transfer from income reserve – see note 11	694	309
Manager's periodic charge – see note 1 (c)	825	621
Net distribution for the period	<u>9,518</u>	<u>7,475</u>

Details of the distribution per unit are set out in the distribution table on page 39.

7. Property Investments

	31.12.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
Market value at the start of the year	106,100	95,025
Acquisitions at cost	35,649	18,870
Capitalised expenses	916	259
Sales proceeds from disposals	(16,800)	(7,960)
Realised gains / losses on disposals	(1,189)	(1,500)
Unrealised losses on revaluation	9,644	1,406
Market value at the end of the year	<u>134,320</u>	<u>106,100</u>
Historical cost at the end of the year	<u>144,852</u>	<u>126,276</u>

Notes to the accounts

8. Debtors	31.12.2010	31.12.2009
	£'000	£'000
Rents receivable	671	806
Property payments recoverable	126	176
Property incentives	290	69
VAT recoverable	35	-
	<u>1,122</u>	<u>1,051</u>

9. Cash and bank balances	31.12.2010	31.12.2009
	£'000	£'000
Cash in the COIF Charities Deposit Fund	1,296	12,531
Cash at bank	5,248	266
	<u>6,544</u>	<u>12,797</u>

10. Creditors	31.12.2010	31.12.2009
	£'000	£'000
Rent received in advance	1,685	1,583
VAT payable	-	623
Accrued expenses	58	22
Rent deposits	<u>2,307</u>	<u>2,228</u>

11. Income Reserve

The income reserve, accumulated out of revenue, is used to smooth fluctuations in the revenue received in the Fund. The income reserve is included in the total capital value of the Fund attributable to income unitholders.

	31.12.2010	31.12.2009
	£'000	£'000
Income reserve at the start of the period	849	1,158
Transfer from income reserve	(694)	(309)
Income reserve at the end of the period	<u>155</u>	<u>849</u>

Notes to the accounts

12. Financial instruments

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

Market price risk

Whilst the value of direct property is independently valued on a monthly basis, such valuations are a matter of the valuer's opinion and such values may or may not be achieved on disposal. The Fund seeks to minimise the impact of these risks by maintaining a well diversified property portfolio, both geographically and by sector.

Financial assets

All cash and bank balances earn interest at a floating rate based on either LIBOR or base rate. Debtors and creditors of the Fund do not pay or receive interest.

Financial liabilities

Under the Scheme of the Fund, the Manager may borrow a maximum of 25% of the value of the property of the Fund to assist with investing in, improvements to, or the managing of property and the short-term financing of, or meeting payments to be made out of the Fund.

Liquidity risk

By their very nature, direct properties are less liquid and therefore the investments may not be readily realisable. The Fund's liquidity may be affected by unexpected or high levels of redemptions. Under these circumstances, a period of notice of up to six months may be imposed for the redemption of units. The units are realisable only on each monthly dealing day.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, revenue and short-term debtors and creditors are denominated in Sterling.

Interest rate risk

The majority of the Fund's assets are direct property investments and therefore do not pay interest or have maturity dates. As a consequence any changes in interest rates will not significantly affect the Fund except in so far as they affect rental levels generally.

Notes to the accounts

The interest rate risk profile of the Fund's financial assets and liabilities at 31 December 2010 was as set out below:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	6,544	-	135,442	141,986

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	-	-	5,108	5,108

31 December 2009

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	12,797	-	107,151	119,948

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	-	-	4,689	4,689

* The floating rate financial assets of the Fund earn interest at rates based on either LIBOR or base rate.

All financial liabilities are due to be settled within one year, or on demand.

There were no derivatives held by the Fund during the year or comparative year.

13. Board remuneration

The Board members receive no remuneration from COIF Charity Funds. Mr R Fitzalan Howard is a Director of the Manager and receives remuneration from the Manager, which is disclosed in that Company's accounts.

Notes to the accounts

14. Related party transactions

The Manager's periodic charge is paid to the Manager and the Trustee fee is paid to HSBC Bank plc, both related parties to the Fund. The amounts paid in respect of these charges are disclosed in note 4.

At 31 December 2010 the balances due to the Manager and HSBC Bank plc were as set out below:

	31.12.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
The Manager	-	-
HSBC Bank Plc	19	6

There were no other transactions entered into with the Manager or HSBC Bank plc during the year.

At 31 December 2010 a cash balance of £1,296,218 (31.12.09, £12,530,794) was held in the COIF Charities Deposit Fund.

15. Turnover of units

The number and net asset value of units in the Fund issued, cancelled and transferred in the year to 31 December 2010 was as follows:

	<i>Number of units</i>	<i>Value</i> £'000	<i>% of NAV at</i> <i>31.12.2010</i>
Units issued	15,168,561.09	15,942	11.65
Units cancelled	1,371,401	1,428	1.04

At 31 December 2010 there were no outstanding redemption notices (31.12.2009: nil).

Notes to the accounts

16. Reconciliation of net income to net cash inflow from operating activities

	31.12.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
Net revenue for the year	7,999	6,545
Increase in accrued revenue	(154)	(5)
Decrease in debtors	85	38
Increase in creditors	80	334
Net cash inflow from operating activities	<u>8,010</u>	<u>6,912</u>

17. Reconciliation of net cash flow to movement in cash balances

	31.12.2010	<i>31.12.2009</i>
	£'000	<i>£'000</i>
Net cash at the beginning of the year	12,797	5,910
Movement in cash during the year	<u>(6,253)</u>	<u>6,887</u>
Net cash at the end of the year	<u>6,544</u>	<u>12,797</u>

Distribution table

for the year ended 31 December 2010

<i>Period ended</i>	<i>Date paid/payable</i>	<i>Dividends paid/payable</i> <i>pence per unit</i>	
		2010	2009
Income units			
31 March 2010	28 May 2010	1.70	1.70
30 June 2010	31 August 2010	1.80	1.80
30 September 2010	30 November 2010	1.90	1.80
31 December 2010	28 February 2011	2.17	2.12
		<u>7.57</u>	<u>7.42</u>
		<i>Revenue accumulated</i> <i>pence per unit</i>	
		2010	2009
Accumulation units			
31 March 2010		3.22	2.52
30 June 2010		2.56	2.60
30 September 2010		2.74	2.38
31 December 2010		2.91	2.68
		<u>11.43</u>	<u>10.18</u>

Statement of Board, Corporate Trustee and Manager responsibilities

Responsibilities of the Board

The Board shall comply with the duty of care when exercising their powers and discharging their duties under the Scheme of the Charity Commission made under the Charities Act 1993, dated 12 July 2002, for the Fund to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Particulars;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- make an annual report on the discharge of the Board's responsibilities;
- determine the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- apply to the Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme provided that any Board member who has any interests in the Trustee or the new Trustee shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- inform the Charity Commission promptly and in writing if the Board is not satisfied at

any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

Responsibilities of the Trustee

The Trustee shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. To the extent of those duties and powers, the Trustee is a charity trustee of the Fund within the meaning of the Charities Act 1993. The Trustee shall comply with the duty of care when exercising its powers and discharging its duties under this Scheme. The following are the duties and powers of the Trustee:

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and competently discharging the duties conferred or imposed on it by or pursuant to the provisions of the Scheme and that the Manager is maintaining adequate and proper records;
- the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of this Scheme;
- the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Scheme;
- the creation and cancellation of units in accordance with the instructions of the

Statement of Board, Corporate Trustee and Manager responsibilities

Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);

- making distributions to Participating Charities holding income units and making allocations to Participating Charities holding accumulation units in proportion to their respective units in the property of the Fund;
 - the making of an annual report on the discharge of its responsibilities for the management of the Fund; and
 - the authorisation of payment out of the property of the Fund of any reasonable costs or expenses of the Board members incurred by them in the execution of their duties in accordance with the Scheme.
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;
 - follow generally accepted accounting principles and applicable accounting standards;
 - keep proper accounting records which enable the Manager to demonstrate that the accounts as prepared comply with the above requirements;
 - make judgments and estimates that are reasonable and prudent; and
 - prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

Responsibilities of the Manager

The Manager of the Fund is required by the Scheme to prepare accounts for the Fund in accordance with the Statement of Recommended Practice 2005 (Accounting and Reporting by Charities). The Manager is required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;

The Manager is required to manage and administer the Fund in accordance with the Scheme, maintain accounting records and take reasonable steps for the prevention and detection of fraud and other irregularities. The Trustee has appointed the Manager to act as Registrar to the Fund.

CCLA INVESTMENT MANAGEMENT LIMITED
COIF Charities Property Fund
(Charity Registration No. 1093084)

Board

D Henderson, Chairman of the Board, FCA, Company Director

T Bell, FRICS

P Cawdron, FCA, Company Director (resigned 10.3.10)

T Clark, Solicitor

A Daws, Solicitor

R Fitzalan Howard, Chairman, FF&P Asset Management Limited

G Newson, MRICS

Secretary

J Fox

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

Authorised and regulated by the Financial Services Authority

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Directors responsible for the Fund

M Quicke (Chief Executive)

J Bevan (Chief Investment Officer)

S Curran (Chief Operating Officer)

C Peters (Investment Director)

A Robinson (Director Market Development)

Fund Manager

R Halliday

Company Secretary

J Fox

**Head of Operational Risk,
Internal Audit and Compliance**

A Kemp

**Head of Ethical and Responsible
Investment**

H Wildsmith

Corporate Trustee and Custodian

HSBC Bank plc

8 Canada Square, London E14 5HQ

Banker

The Royal Bank of Scotland plc

62/63 Threadneedle Street, London EC2R 8LA

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields, London WC2A 3LH

Independent Auditor

Ernst & Young LLP

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CCLA INVESTMENT MANAGEMENT LIMITED **COIF Charity Funds**

The COIF Charity Funds provide a ready and practical means for charities to obtain, at reasonable cost, constant professional investment and cash management for their long-term capital and short-term cash. They also provide protection through diversification combined with simplified administration.

COIF Charities Investment Fund

- A suitable 'all-in-one' long-term fund for most charities
- Highly diversified and well-balanced spread of investments
- Designed to help meet growth and income requirements
- Focus on delivering attractive, growing income

COIF Charities Ethical Investment Fund

- An actively managed fund with a diversified portfolio suitable from a wide range of charities
- Managed with a strong regard for ethical and socially responsible investment principles
- A focus on long term returns and a rising income stream for investors

COIF Charities Global Equity Income Fund

- Attractive income now
- Rising income in the future
- Strong growth opportunities from the global economy

COIF Charities Fixed Interest Fund

- Long-term investment focused on income
- Gross income paid quarterly
- Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives

COIF Charities Property Fund

- High quality, well-diversified commercial and industrial property portfolio
- Focus on delivering attractive income
- Actively managed to add value
- Usually held with other investments such as equities, bonds and cash to give a broad spread of assets and achieve combined income and growth objectives

COIF Charities Deposit Fund

- A competitive rate
- Interest paid gross
- No minimum balance
- Easy access
- Simple operation
- Excellent service
- Free BACS transfers
- AAA/V1 credit rating*

* The Deposit Fund is rated AAA/V1 by Fitch Ratings. This reflects the high credit quality of the portfolio and its low volatility.

The COIF Charity Funds are Common Investment Funds established by the Charity Commission for England and Wales under Section 24 of the Charities Act 1993. The Deposit Fund was established under Section 25 of the Charities Act 1993. Any charity in the United Kingdom within the meaning of the Charities Act 1993 (as amended or replaced) may invest in the Deposit, Investment, Ethical Investment and Global Equity Funds. Any charity in England and Wales may invest in the Fixed Interest and Property Funds. CCLA Investment Management Limited operates as the Investment Manager and Administrator of the Funds.

The value of the investments may fall as well as rise and an investor may not get back the full amount originally invested. Deposits in the Deposit Fund are not covered by the Financial Services Compensation Scheme.

CCLA Investment Management Limited (registered in England No. 2183088 - registered office 80 Cheapside, London EC2V 6DZ) is authorised and regulated by the Financial Services Authority.

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