



**COIF Charities Investment Fund
COIF Charities Fixed Interest Fund
COIF Charities Deposit Fund**

Reports and Accounts
Half Year to 30 June 2007
(unaudited)



CCLA INVESTMENT MANAGEMENT LIMITED
COIF Charity Funds

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Trustees and Manager for COIF Charities Deposit Fund (inside back cover)

Description of the COIF Charity Funds (back cover)

Disability Discrimination Act 1995

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

COIF Charity Funds

Structure of the Funds

Structure and Management

COIF Charities Investment Fund and COIF Charities Fixed Interest Fund were set up in 1962 and 1990 respectively, as Common Investment Funds under the Charities Act 1960. Schemes dated 29 November 2000 were adopted with effect from 1 January 2001, which replaced the previous Charity Commission Schemes dated 28 June 1995. Both Schemes were made under section 24 of the Charities Act 1993.

COIF Charities Deposit Fund, originating from the Charities Deposit Fund formed in 1985, is a Common Deposit Fund established under section 25 of the Charities Act 1993 in a Charity Commissioners Scheme dated 27 June 1995.

COIF Charities Property 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 report and accounts for the COIF Charities Property Fund are available in a separate Fund report.

COIF Charities Investment Fund owns 25% of the share capital of CCLA Investment Management Limited (CCLA), a proportion of which are non-voting shares.

The Financial Services Authority (FSA) Rules for the operation of Unregulated Collective Investment Schemes apply to CCLA's management of COIF Charities Investment Fund and COIF Charities Fixed Interest Fund.

CCLA has been appointed Manager by COIF Charities Investment Fund and COIF Charities Fixed Interest Fund Schemes.

Both COIF Charities Investment Fund and COIF Charities Fixed Interest Fund have a Board which meets four times per annum to receive reports and monitor the progress of the Funds. The Board, created under each Scheme, is made up of individuals appointed under the Schemes. Together these individuals have wide experience of finance, 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 COIF Funds. The Board is responsible for setting and subsequently advising on the investment policy of the Funds, monitoring performance, obtaining Charity Commission orders for the appointment and discharge of the Manager and Corporate Trustee, appointing the Auditors to the Funds and agreeing the fees charged by the Corporate Trustee, the Manager and the Auditors.

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

The Trustees for COIF Charities Deposit Fund are the same individuals that comprise the Board for COIF Charities Investment Fund and COIF Charities Fixed Interest Fund. The Trustees act as an independent body to control and supervise COIF Charities Deposit Fund, for the benefit of participating charities, meeting four times per annum and also holding two Audit Committees each year. The Trustees of COIF Charities Deposit Fund have delegated to CCLA the management and administration of the Fund.

Deposits taken by COIF Charities Deposit Fund are exempted from the Financial Services and Markets Act 2000 (FSMA) by virtue of the Financial Services and Markets Act (Exemption) Order 2001. Deposits in COIF Charities Deposit Fund are not covered by the Financial Services Compensation Scheme. CCLA will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the COIF Charities Deposit Fund.

COIF Charity Funds

Structure of the Funds

COIF Charities Investment Fund Objective and Benchmark of the Fund

General

The COIF Charities Investment Fund, consisting of well diversified investments, principally equities but including other asset classes, aims to be suitable for up to 100% of a charity's long-term capital, providing a return that is even-handed between present and future beneficiaries. It is believed that over the longer term this approach should help to protect both capital and income from the effect of inflation. The Fund has two specific objectives linked to its aim, above-average total return and above-average dividend.

Total Return Objective and Benchmark

The Fund aims to provide above-average total return performance through capital and income return combined. The total return performance benchmark (before management and other expenses) for the Fund is the return on the WM Co Charity Fund Service Universe. The Fund aims to achieve above-average total return over the longer term (measured over rolling five-year periods).

Income Objective and Benchmark

The Fund aims to pay an above-average annual dividend, relative to the return on UK equities. The benchmark range is an annual dividend yield of between 0.5% and 1.0% greater than the yield of the FTSE All-Share Index. The Fund aims to match this benchmark range each year.

Investment Policy

Investments

The Fund is invested mainly in equities with a wide diversification of good quality holdings in the UK and overseas. UK and overseas bonds are also held, together with direct property investments through a holding in the COIF Charities Property Fund. This is in accordance with the wide investment powers permitted by the Scheme, in line with the duty to diversify investments and the Fund's objective.

To ensure that investments are suitable, only readily realisable securities, which are traded on the leading eligible securities markets, are normally held. Where appropriate, collective investments, such as investment trusts and unit trusts, are held to secure exposure to small or specialist sectors of the market. It is only in exceptional circumstances that unquoted or unlisted securities are held, and these are not actively traded.

The Fund does not invest in futures contracts or options but may, subject to certain restrictions and as a protective measure, undertake forward currency transactions and may invest in subscription warrants in respect of securities.

Apart from exceptional circumstances, the cash balance of the Fund remains within the range of 0% to 5%, as set out in the Investment and Borrowing Powers section of the Scheme Particulars.

Balance between different kinds of Investment

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

COIF Charities Fixed Interest Fund Objective and Benchmark of the Fund

COIF Charities Fixed Interest Fund is invested in fixed interest stocks which aims to provide a high-income yield. This higher yield can supplement where necessary the lower income yield on COIF Charities Investment Fund or other equity investments. The Fund is intended for long-term investment and offers no protection against inflation.

The total return benchmark for the Fund is the WM Co Charity Fund Service Universe for UK fixed interest stocks, with gross income reinvested, before deduction of management expenses.

COIF Charity Funds

Structure of the Funds

Investment Policy

Investments

The Fund invests only in Sterling denominated government and corporate fixed interest securities (including convertibles and preference shares). A significant proportion of the Fund, at least 60%, is invested in gilt-edged securities in order to achieve a high level of liquidity and low overall credit risk. The balance of the Fund is invested in good quality corporate bonds. The average duration of the Fund's investments is broadly similar to that of the FTSE UK Government All Stocks Index in order to secure a level of income for the longer term. The Fund only invests in securities which are quoted on the leading eligible securities markets.

Balance between different kinds of Investment

The minimum proportion of the Fund to be invested in gilt-edged securities is reviewed periodically both by the Manager and the Board. The asset allocation between the other fixed interest asset classes is varied according to the Manager's judgement of risk and the future income and capital returns likely to be obtained on each asset class. Apart from exceptional circumstances, the liquidity of the Fund remains within the range 0% to 5%, as set out in the Investment and Borrowing Powers section of the Scheme Particulars.

COIF Charities Deposit Fund

Objective and Benchmark of the Fund

COIF Charities Deposit Fund is designed to enable a charity to obtain, even on small amounts of money, the higher rates of interest usually available on large sums in the London Money Market. The Fund aims to earn a competitive rate of interest while retaining its Aaa Money Market rating, the highest available, awarded by Moody's Investors Service. The Fund's benchmark, before expenses, is the 7-day London Inter-Bank Bid Rate (LIBID) as measured by the British Bankers' Association.

Investment Policy

The Fund may invest cash only on short-term deposits in Sterling with Banks, Building Societies and Local Authorities in the United Kingdom. The Fund must maintain at least 25% of the investments of the Fund in deposits repayable within five business days and the remainder of the investments must be repayable within a period not exceeding one year. The assets of the Fund are placed with a list of approved counterparties regularly reviewed by the Trustees.

Risk Warning

The value of COIF Charities Investment and Fixed Interest Funds' units and the income from them can fall as well as rise and an investor may not get back the amount originally invested. The Investment Fund's unit value will reflect fluctuations in share prices and currency exchange rates. The Fixed Interest Fund's income yield is an indication of the expected level of income. The corresponding gross redemption yield is an estimate of total return over the long term. The Fixed Interest Fund's income and gross redemption yields are not guaranteed and will change over time, due to changes in interest rates and the average maturity date of the securities held by the Fund. When the Fund's income yield is higher than the gross redemption yield, income is being paid at the expense of capital. The units are intended only for long-term investment and are not suitable for money liable to be needed in the near future. They are realisable only on each weekly dealing date.

The Trustees of COIF Charities Deposit Fund cannot give guarantees regarding repayment of deposits in the Fund but undertake to exercise reasonable care in supervising the placing of deposits. The daily deposit rate will fluctuate.

Past performance is no guarantee of future returns.

COIF Charities Investment Fund COIF Charities Fixed Interest Fund Report of the Board for the six months ended 30 June 2007

We have pleasure in presenting our half-year reports on COIF Charities Investment Fund and COIF Charities Fixed Interest Fund. The Trustees' half-year report on COIF Charities Deposit Fund is set out on page 48. The half-year report and accounts for COIF Charities Property Fund are available in a separate Fund report.

Responsibilities of the Board

We have met quarterly during the period to carry out our 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 Funds. In addition we have monitored the administration, expenses and pricing of the Funds.

We have also reviewed the progress of CCLA Investment Management Limited and approved the valuation of the investments in the company, which are shown on page 18 in the Portfolio Statement for the Investment Fund.

Review of investment activities and policies of the Funds

During the period we met quarterly with the Investment Manager to review investments, transactions and policies of the Funds. The Investment Manager's reports, which appear later, provide further details.

Responsible investment

The COIF Charity Funds are promoted as responsible funds that consider the economic, social and environmental impacts of the companies in which the Funds invest. The Board's main purpose is to obtain the best return for unitholders, consistent with commercial prudence and the need to ensure adequate spread and diversification of assets in accordance with the duties of trustees. In addition, the Board has adopted a three-fold approach to socially responsible investment. First, the Board's policy, within its fiduciary duty, is for COIF Charities Investment Fund and COIF Charities Fixed

Interest Fund to avoid direct investment in armaments, gambling and tobacco. Secondly, the Board has adopted a formal active voting policy, which is discussed below. Finally, the Board has agreed a proactive engagement process, through which the Manager engages, on behalf of the Funds, with the companies in which it invests, on non-financial issues that may have a material impact on business, such as supply chain management, environmental impacts, human rights and labour standards. The Board believes this to be a responsible and appropriate response to the concerns of unitholders and the guidelines issued by the Charity Commission. During the period to 30 June 2007, the Manager undertook 77 instances of engagement with 62 companies, incorporating 30 meetings with companies. Areas of engagement included labour, human rights, access to adult services and the environment. Details of engagement can be found in the Socially Responsible Investment section of the quarterly bulletin available on the CCLA website.

Governance

The Board has adopted a formal corporate governance policy, and routine informed shareholder voting is applied across all UK holdings in the COIF Charities Investment Fund. The policy adopted by the Board is to support management except where proposals are either deemed not to be in shareholder interests or reflect poor corporate governance practice. The Manager, on behalf of the Board, either opposed or abstained from a number of specific resolutions on directors' pay and other corporate governance issues. In cases where proposals are opposed, the company is contacted and invited to comment.

During the period to 30 June 2007, the Manager voted at 86 UK company meetings comprising 1,001 resolutions. 93% of votes were cast in support of management, 3% against and the Manager abstained in 4% of resolutions. Details

COIF Charities Investment Fund COIF Charities Fixed Interest Fund Report of the Board for the six months ended 30 June 2007

of oppose votes and other information can be found on the Corporate Governance section of the COIF Charity Fund's part of the CCLA website at www.ccla.co.uk.

Controls and Risk Management

The Board receives and considers regular reports from the Manager and 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.

The Board receives an annual report on the controls of the Manager (AAF 01/06). The last report covered the year ended 31 December 2006 and included a satisfactory report by the Manager's reporting accountants, PricewaterhouseCoopers LLP.

During the period, the Board, assisted by the Manager, reviewed the Funds' systems of internal control. At each quarterly meeting the Board receives from the Manager, and reviews, a formal risk management report setting out the main risks facing the Funds, the controls in place to mitigate the risks and the assessment of each risk in terms of both gross exposure and residual exposure after application of mitigating controls.



B.H.B. Wrey
Chairman of the Board

23 July 2007

**COIF Charities Investment Fund
COIF Charities Fixed Interest Fund
Report of the Corporate Trustee
for the six months ended 30 June 2007**

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

HSBC Bank plc
Corporate Trustee
8 Canada Square
London E14 5HQ

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

23 July 2007

COIF Charities Investment Fund

Report of the Investment Manager

for the six months ended 30 June 2007

- For up to 100% of a charity's long-term capital
- A diversified fund, invested primarily in equities
- Aiming at a combination of real growth in both capital and income

Performance

Over the period under review the Fund returned 5.97% before management expenses, compared to an estimated return of 6.00% from the benchmark WM Co Charity Fund Universe. The ethical investment policy in the UK detracted 0.24% from the performance of UK equities within the portfolio.

The Accumulation Unit price rose by 5.83%, from 7,614.11p to 8,057.96p and the Income Unit price rose by 4.40%, from 1,146.58p to 1,196.98p. As at 30 June 2007, the dividend yield was 2.99% based on the net asset value at that date and the distribution of 35.75p over the twelve months to June 2007. This compares with the FTSE All-Share Index dividend yield, on an equivalent basis of 2.75%.

Market Review

Global equity markets made good progress over the period under review against a background of continued expansion in the global economy, solid corporate profits growth and high levels of merger and acquisitions activity. Concerns about slowing growth and higher inflation in the US were alleviated by better than expected economic data. Following a prolonged period of strong performance, the rate of growth in the commercial property market slowed moderately as a result of rising interest rates. Sentiment within the sector has become more mixed and there is evidence that some investors have been reducing their exposure to UK property, reallocating to overseas property and into different asset classes. However, demand for UK property in other quarters remains strong. The

sterling bond market lost ground as hopes of an imminent cut in US interest rates faded and UK rates rose with the expectation of further policy tightening to come.

The UK equity market produced strong returns over the period. The economic environment in the UK remained positive in spite of increased inflationary pressures and rising interest rate expectations. The Bank of England increased interest rates by 0.25% in January and May. Consumer confidence remained strong, although retail sales were temporarily affected by the very warm weather in April. The housing market has been resilient but there are now tentative signs that the recent rate rises are beginning to have an effect on prices outside of London and the South East. Indicators of business confidence and industrial output expectations remain robust.

The US equity market pushed higher over the period on optimism that the Federal Reserve has ended its monetary policy tightening cycle. GDP growth over the first quarter came in at 0.6%, the slowest pace in four years, but concerns that the economy could be sliding towards recession were assuaged by some positive economic data. Consumer spending has held up well despite the weakness in the housing market and manufacturing and employment data strengthened in May. Consumer Price Index inflation, consumer spending and employment data all suggest that inflation is cooling while economic growth is not slowing too fast.

The continental European equity market rose strongly over the period driven by the improved economic outlook in the US and Europe and high levels of merger and acquisitions activity. The Eurozone economy continued to pick up pace moderately in the face of rising interest rates and a strengthening Euro. Exports held up well and increased levels of investment contributed to the healthy

COIF Charities Investment Fund Report of the Investment Manager for the six months ended 30 June 2007

performance. However with wage growth rising, inflation remains a concern to the European Central Bank which maintains a tightening stance.

Asian equity markets rose strongly over the period rebounding from a brief, sharp sell-off at the end of February. This followed a steep one day fall in the domestic stock market in China caused by rumours that restrictions would be imposed on certain trading activities by the authorities and comments from ex Federal Reserve Chairman Alan Greenspan about the risks of recession in the US. Following the sell-off, China's domestic stock market bounced back and continued to gather pace despite the government's policy moves to curb the growth rate. Economies across the region continued to grow strongly supported by buoyant consumer sentiment, the increased wealth effect from rising asset prices and a benign inflationary environment.

The recovery in the Japanese economy continues at a modest pace. Although the corporate sector has enjoyed a decent recovery

on the back of strong exports and the labour market has improved as a result, wage growth has remained subdued. This has tended to hold back consumer spending with households and companies still reluctant to take on new debt, although recent tax changes have provided a boost to spending in the short term. With muted consumer price inflation and little sign of stronger credit demand the scope for further interest rate rises is limited in the short term but the Bank of Japan is expected to raise rates again towards the end of the year.

Strategy

Throughout the period we maintained an overweight position in equities and property and an underweight position in bonds and cash, which had a positive impact on performance. We reduced the size of the overweight position in UK equities, adding to the weighting in US equities. Following a long period of underperformance, we believe the US market now represents better value relative to other markets than it has done for some time.

The COIF Charities Investment Fund Total Capital and Income Return*

To 30 June 2007	Six Months %	1 Year % p.a.	5 Years % p.a.	10 Years % p.a.
<u>Performance against benchmark & market indices (before expenses)</u>				
COIF Charities Investment Fund	+5.97	+15.55	+10.88	+7.37
WM Co Charity Fund Service Universe	+5.80	+15.13	+10.77	+7.32
FTSE All-Share Index Adjusted ~	+7.34	+18.02	+11.87	n/a
FTSE All-Share Index	+7.58	+18.37	+12.16	+7.59
FTSE World (ex UK) Index	+7.32	+15.51	+8.96	+5.90
FTSE UK Govt All Stocks Index	-3.07	-0.67	+4.06	+5.98
IPD Property Index	+4.41	+12.37	+15.34	+13.38
<u>Performance after expenses</u>				
Income Shares*	+5.85	+15.24	+10.63	+7.12
Accumulation Shares*	+5.83	+15.21	+10.61	+7.10

* Net Asset Value to Net Asset Value plus income reinvested

~ Adjusted for ethical restrictions

COIF Charities Investment Fund Report of the Investment Manager for the six months ended 30 June 2007

Outlook

Having risen strongly since the start of the year it would not be particularly surprising to see a period of consolidation in global equity markets over the traditionally quiet summer trading period. Over the medium term however, the prospects for equities remain good with shares trading at reasonable valuation levels relative to other asset classes. The equity market should be supported by steady global economic growth and solid corporate profits. The main risks to this benign scenario are a surprise further slowdown in US growth or a sharp pick up in inflation but we do not believe either is likely. Indeed there is some tentative evidence that the US economy could be accelerating again. With interest rates still rising the short term prospects for bond markets are not exciting and yields could rise a little further from here. After a period of very strong returns from commercial property we expect that growth within the sector will moderate further over the medium term. However, we believe that the asset class will continue to deliver attractive returns for investors, supported by rental value growth and a good yield.



Nigel I. Debenham
Fund Manager
CCLA Investment Management Limited

23 July 2007

COIF Charities Investment Fund

Net Asset Value, Unit Price Range, Net Distributions and Total Expense Ratio

Net Asset Value

At 31 December	Net Asset	Income Units		Accumulation Units	
	Value £'000	Net Asset Value Pence per Unit	Number of Units in Issue	Net Asset Value Pence per Unit	Number of Units in Issue
2004	906,740	899.06	87,709,682	5,591.13	2,113,595
2005	1,025,082	1,041.51	85,911,226	6,700.10	1,944,816
2006	1,101,182*	1,146.58	83,704,375	7,614.11	1,821,842
At 30 June 2007	1,131,097*	1,196.98	83,031,154	8,057.96	1,757,427

*The net asset value is calculated on a mid-market value basis whereas in the Balance Sheet where the investments are valued on a bid-market value basis in accordance with the December 2005 IMA SORP.

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
2002	977.53	714.73	5,411.96	4,067.02
2003	859.03	685.74	5,097.62	3,947.43
2004	913.92	814.00	5,633.06	4,955.75
2005	1,063.12	889.76	6,774.73	5,533.23
2006	1,165.80	1,031.40	7,667.50	6,681.99
To 30 June 2007	1,223.93	1,133.56	8,182.42	7,527.43

Net Distributions and Reinvestment

Year to 31 December	Income Units	Accumulation Units
	Pence per Unit	Pence per Unit
2002	32.50	176.43
2003	32.50	187.18
2004	31.50	188.36
2005	33.50	209.05
2006	35.50	230.32
To 30 June 2007	16.40	144.99

Unit Prices at 30 June 2007

	Bid Price Pence per Unit	Offer Price Pence per Unit
Income Units	1,190.40	1,203.56
Accumulation Units	8,013.64	8,102.28

The Unit prices are published in *The Times*, *The Daily Telegraph* and *Financial Times*.
The offer and bid prices are calculated on the net asset value plus or minus a 0.55% (prior to 4 May 2006: 0.75%) surcharge or deduction.

Total Expense Ratio

	30.6.2007	30.6.2006
Total expense ratio (annualised)	0.37%	0.37%

The total expense ratio is the ratio of the Fund's total operating costs to its average net assets calculated over the period.

COIF Charities Investment Fund

Summary of Investments and Other Assets

at 30 June 2007 (unaudited)

	30.6.2007		31.12.2006	
	£'000	%	£'000	%
Investments				
UK Equities	691,091	60.87	686,539	62.52
European Equities	76,626	6.75	81,047	7.42
USA Equities	75,738	6.67	64,702	5.83
Japanese Equities	38,890	3.43	32,191	2.93
Pacific Basin Equities	33,733	2.97	33,568	3.09
Other Overseas Equities	3,131	0.28	2,731	0.24
Unquoted Stocks	6,392	0.56	6,392	0.58
Property Unit Trust	101,880	8.97	98,996	9.02
UK Fixed Interest Stocks	48,521	4.27	51,559	4.70
Overseas Fixed Interest Stocks	15,897	1.40	16,482	1.50
Total investments	<u>1,091,899</u>	<u>96.17</u>	<u>1,074,207</u>	<u>97.83</u>
Net current assets				
Cash	42,577	3.75	28,783	2.63
Net other assets /(creditors)	888	0.08	(5,000)	(0.46)
Total net current assets	<u>43,465</u>	<u>3.83</u>	<u>23,783</u>	<u>2.17</u>
Total value of Fund	<u><u>1,135,364</u></u>	<u><u>100.00</u></u>	<u><u>1,097,990</u></u>	<u><u>100.00</u></u>

Distribution Table

for the six months ended 30 June 2007 (unaudited)

Period Ended	Date of Payment	Distribution Payable Pence per Unit	
		2007	2006
Income Units			
31 March 2007	31 May 2007	8.00	7.90
30 June 2007	31 August 2007	8.40	8.25
		<u>16.40</u>	<u>16.15</u>
		<i>Income Accumulated Pence per Unit</i>	
Accumulation Units			
31 March 2007		65.66	66.46
30 June 2007		79.33	60.81
		<u>144.99</u>	<u>127.27</u>

COIF Charities Investment Fund

Statement of Total Return

for the six months ended 30 June 2007 (unaudited)

	Notes	30.6.2007		30.6.2006	
		£'000	£'000	£'000	£'000
Net gains on investments during the period	2		44,538		24,841
Other gains/(losses)	3		351		(363)
Income	4	21,040		19,795	
Expenses	5	(1,650)		(1,598)	
Net income before taxation		19,390		18,197	
Taxation	6	(542)		(308)	
Net income after taxation for the period			18,848		17,889
Total return before distributions			63,737		42,367
Finance costs: Distributions	7		(16,288)		(16,176)
Change in net assets attributable to unitholders			47,449		26,191

Statement of Change in Unitholders' Net Assets

for the six months ended 30 June 2007 (unaudited)

	Notes	30.6.2007		30.6.2006	
		£'000	£'000	£'000	£'000
Net assets at start of the period			1,097,990		1,025,082
Movement due to creations and cancellations of units					
Amounts receivable on creation of units		10,308		10,771	
Less: Amounts payable on cancellation of units		(22,948)		(26,585)	
			(12,640)		(15,814)
Change in net assets attributable to unitholders (see above)			47,449		26,191
Voluntary repayment of professional charges			-		11
Retained distribution on accumulation units			2,565		2,446
Net assets at end of the period			1,135,364		1,037,916

The notes on pages 22 to 29 form part of these accounts.

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	Market Value	%		Market Value	%	
Holding	£'000	Fund		Holding	£'000	Fund
LISTED ORDINARY AND CONVERTIBLE STOCKS						
UNITED KINGDOM 60.87% (31.12.06, 62.52%)						
Oil & Gas 10.55%						
BG	2,399,349	19,699	1.74			
BP	6,943,610	41,835	3.68			
Cairn Energy	216,531	3,817	0.34			
Dana Petroleum	228,300	2,493	0.22			
Royal Dutch Shell A	45,200	919	0.08			
Royal Dutch Shell B	2,366,025	49,261	4.33			
Tullow Oil	365,000	1,780	0.16			
Oil Equipment & Services 0.13%						
Abbot	555,387	1,488	0.13			
Chemicals 0.63%						
Croda International	400,284	2,548	0.22			
ICI	752,434	4,676	0.41			
Mining 5.43%						
Anglo American	575,209	16,934	1.49			
BHP Billiton	888,179	12,337	1.09			
Rio Tinto	556,779	21,302	1.88			
Xstrata	370,378	11,060	0.97			
Construction & Materials 0.40%						
Balfour Beatty	300,000	1,328	0.12			
Hanson	300,000	3,231	0.28			
Electronic & Electronic Equipment 0.36%						
Spectris	450,000	4,075	0.36			
Industrial Engineering 0.33%						
IMI	629,576	3,746	0.33			
Industrial Transportation 0.40%						
Forth Ports	68,000	1,254	0.11			
Informa	600,000	3,342	0.29			
Support Services 2.21%						
Capita	320,000	2,322	0.20			
Experian	602,775	3,791	0.33			
G4S	1,050,000	2,223	0.20			
Homeserve	218,686	3,925	0.35			
Mouchel Parkman	545,000	2,102	0.19			
SIG	420,000	5,573	0.49			
Wolseley	426,095	5,117	0.45			
Beverages 1.16%						
Diageo	1,040,864	10,783	0.95			
SAB Miller	200,000	2,530	0.21			
Food Producers 2.10%						
Associated British Foods	300,000	2,663	0.23			
Dairy Crest	250,000	1,700	0.15			
Premier Foods	2,926,032	8,464	0.74			
Unilever	688,821	11,118	0.98			
Household Goods 1.46%						
Barratt Developments	337,752	3,352	0.29			
Persimmon	205,000	2,372	0.21			
Reckitt Benckiser	400,000	10,936	0.96			
Health Care 0.21%						
Smith & Nephew	377,211	2,333	0.21			
Pharmaceuticals & Biotechnology 4.06%						
AstraZeneca	564,694	15,145	1.33			
GlaxoSmithKline	2,283,538	29,777	2.62			
Shire Pharmaceuticals	100,000	1,240	0.11			
General Retailers 2.13%						
Marks & Spencer	742,045	4,656	0.41			
Wm. Morrison Supermarkets	1,000,000	3,023	0.27			
Tesco	3,931,074	16,442	1.45			
Media & Entertainment 0.76%						
Aegis	3,445,432	4,729	0.42			
EMI	296,262	793	0.07			
Yell	156,208	722	0.06			
Trinity Mirror	450,000	2,378	0.21			
Travel & Leisure 2.18%						
Compass	1,500,000	5,183	0.46			
FirstGroup	786,076	5,247	0.46			
Intercontinental Hotels	358,849	4,461	0.39			
Mitchells & Butlers	300,035	2,637	0.23			
National Express	296,875	3,171	0.28			
Whitbread	227,925	4,030	0.36			
Fixed Line Telecommunications 1.22%						
BT	4,154,874	13,805	1.22			
Mobile Telecommunications 3.28%						
Vodafone	22,193,227	37,218	3.28			

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	<i>Market Value</i>	<i>%</i>		<i>Market Value</i>	<i>%</i>	
	<i>£'000</i>	<i>Fund</i>		<i>£'000</i>	<i>Fund</i>	
<i> Holding</i>			<i> Holding</i>			
Electricity 0.65%			EUROPE 6.75% (31.12.06, 7.42%)			
Scottish & South Energy	510,372	7,390	0.65			
Gas Water & Multiutilities 2.27%			BELGIUM 0.13%			
Centrica	1,405,990	5,459	0.48	Dexia	38,880	
Kelda	514,505	4,847	0.43	GBL Strip	440	
Kelda B	668,857	1,405	0.12	Groupe Bruxelles	15,340	
National Grid	1,611,571	11,885	1.05			
Severn Trent	157,122	2,171	0.19	FINLAND 0.54%		
Financials 10.87%			Fortum	36,288	566	
Barclays	2,589,664	18,011	1.59	Kemira	27,264	311
HBOS	1,791,342	17,645	1.56	Neste Oil	12,960	254
HSBC Holdings	3,543,047	32,401	2.86	Nokia	235,680	3,301
Lloyds TSB	3,138,623	17,435	1.54	Raisio	313,669	433
Northern Rock	604,299	5,242	0.46	Stockmann B	12,100	256
Royal Bank of Scotland	3,249,978	20,551	1.81	Teleste	143,000	1,033
Standard Chartered	732,015	11,925	1.05			
Life Insurance 3.68%			FRANCE 2.41%			
Aviva	1,034,831	7,689	0.68	Air Liquide	8,370	549
Friends Provident	1,450,039	2,597	0.23	Alcatel-Lucent	78,624	549
Legal & General	8,295,314	12,443	1.10	Arkema	2,730	89
Prudential	1,367,394	9,756	0.86	Atos Origin	15,034	469
Resolution	1,126,444	7,046	0.62	Axa	79,488	1,713
Royal & Sun Alliance	1,500,000	2,181	0.19	BNP Paribas	19,210	1,142
Real Estate 1.25%			Bouygues	15,792	659	
Great Portland Estates	698,272	4,623	0.41	Brossard	42,302	434
Hammerson	87,670	1,256	0.11	CGG Veritas	10,272	1,283
Land Securities	99,995	1,742	0.15	Christian Dior	7,392	478
Unite	460,000	1,850	0.16	Danone	38,488	1,555
Workspace	1,189,948	4,760	0.42	Dassault Systemes	23,328	734
General Financial 1.22%			EDF	28,663	1,549	
3i	500,000	5,820	0.51	Eurazeo	10,047	724
Man	1,042,000	6,341	0.56	France Telecom	67,665	929
Tullet Prebon	383,000	1,713	0.15	Ingenico	40,770	601
Investment Companies 1.93%			Lafarge	3,648	332	
Electra Investment Trust	320,000	5,190	0.46	Legrand	18,240	329
Merrill Lynch British				L'Oreal	21,408	1,264
Smaller Companies	1,794,000	7,243	0.64	LVMH	19,384	1,116
Merrill Lynch World				Nicox	16,736	204
Mining Trust	220,000	1,253	0.11	PPR	10,755	938
Montanaro UK Smaller Companies				Publicis	13,886	305
Investment Trust	1,200,000	3,852	0.34	Rhodia	27,173	614
Throgmorton Trust	2,193,700	4,283	0.38	Sanofi-Aventis	19,200	777
				Schneider	8,965	628
				SCOR	33,600	456
				Societe Generale	6,048	560
				ST Microelectronics	54,720	529
				Stallergenes	7,968	342
				TF1	17,280	299
				Theolia	13,212	223

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	Market				Market		
	Value	%		Value	%		
<i> Holding</i>	<i> £'000</i>	<i> Fund</i>		<i> Holding</i>	<i> £'000</i>	<i> Fund</i>	
Caterpillar	17,422	679	0.06	Lowe's	35,251	539	0.05
Chevron	28,498	1,196	0.11	Marathon Oil	17,150	513	0.05
Cisco Systems	86,090	1,193	0.11	McDonald's	27,060	684	0.06
Citadel Broadcasting	2,388	8	-	Medtronic	21,300	550	0.05
Citigroup	59,744	1,526	0.14	Merck & Co	29,940	743	0.07
Coca-Cola	37,732	983	0.09	Merrill Lynch	16,546	689	0.06
Colgate-Palmolive	11,676	377	0.03	Metlife	18,514	595	0.05
Comcast A	42,140	590	0.05	Microsoft	117,068	1,718	0.15
Comcast Special A	21,560	300	0.03	Monsanto	13,900	467	0.04
ConocoPhillips	23,125	904	0.08	Morgan Stanley	19,178	801	0.07
Corning	27,015	344	0.03	Motorola	40,727	359	0.03
Costco Wholesale	10,650	310	0.03	News Corp A	50,730	536	0.05
CVS Caremark	19,744	358	0.03	Norfolk Southern	11,389	298	0.03
Dell	43,308	616	0.05	Occidental Petroleum	22,533	650	0.06
Devon Energy	10,550	411	0.04	Oracle	74,346	730	0.06
Disney (Walt)	31,099	529	0.05	Pepsico	27,788	897	0.08
Dominion	7,313	314	0.03	Pfizer	90,393	1,150	0.10
Dow Chemical	25,376	559	0.05	Procter & Gamble	42,559	1,296	0.11
Du Pont De Nemours	21,856	553	0.05	Prudential Financial	13,749	666	0.06
Duke Energy	29,859	272	0.02	Qualcomm	27,212	589	0.05
eBay	25,269	405	0.04	Schering Plough	21,882	332	0.03
Electronic Arts	14,084	332	0.03	Schlumberger	21,261	899	0.08
EMC	37,373	337	0.03	Southern	19,372	331	0.03
Emerson Electric	21,698	505	0.04	Spectra Energy	14,929	193	0.02
Exelon	16,102	582	0.05	Sprint Nextel	56,593	584	0.05
Exxon Mobil	69,112	2,888	0.25	Starbucks	15,553	203	0.02
Fannie Mae	18,902	615	0.05	Suntrust Banks	7,496	320	0.03
Fedex	9,101	503	0.04	Target	18,604	589	0.05
First Energy	5,590	180	0.02	Texas Instruments	35,046	657	0.06
Ford Motor	83,406	391	0.03	Time Warner	66,629	698	0.06
Freddie Mac	14,240	430	0.04	Travelers Companies	20,687	551	0.05
Genentech	11,115	419	0.04	TXU	9,864	331	0.03
General Electric	120,503	2,296	0.20	Tyco International	32,999	556	0.05
General Mills	11,748	342	0.03	Union Pacific	6,355	364	0.03
General Motors	18,692	352	0.03	United Parcel Services	13,114	477	0.04
Goldman Sachs	7,232	781	0.07	United Technologies	14,219	502	0.04
Google A Shs	3,281	856	0.08	Unitedhealth	23,308	594	0.05
Halliburton	20,934	360	0.03	US Bancorp	27,352	449	0.04
Harley-Davidson	9,484	282	0.02	Valero Energy	13,431	494	0.04
Hewlett-Packard	35,947	799	0.07	Verizon Communications	38,115	782	0.07
Home Depot	37,779	741	0.07	Viacom B	14,553	302	0.03
Honeywell	22,561	632	0.06	Wachovia	31,763	811	0.07
IBM	19,726	1,034	0.09	Walgreen	24,215	525	0.05
Idearc	1,676	30	-	Wal-Mart Stores	42,927	1,029	0.09
Illinois Tool Works	11,852	320	0.03	Washington Mutual	22,754	483	0.04
Intel	80,147	948	0.08	Wellpoint	12,246	487	0.04
J P Morgan Chase	43,296	1,044	0.09	Wells Fargo	45,182	792	0.07
Johnson & Johnson	36,617	1,124	0.10	Western Union	17,083	177	0.02
Kimberly Clark	10,646	354	0.03	Wyeth	20,307	580	0.05
Lehman Brothers	13,955	518	0.05	Yahoo!	18,286	247	0.02
Lilly (Eli)	16,625	463	0.04				

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	Market Value	% Fund		Market Value	% Fund
<i> Holding</i>	<i> £'000</i>			<i> £'000</i>	
JAPAN 3.43% (31.12.06, 2.93%)					
Aeon	41,600	0.03	Nippon Oil	70,000	0.03
Asahi Glass	40,000	0.02	Nippon Steel	200,000	0.06
Asahi Kasei	80,000	0.02	Nippon Telegraph & Telephone	150	0.03
Astellas Pharmaceutical	18,500	0.04	Nissan Motor	84,100	0.04
Bridgestone	33,200	0.03	Nitto Denko	8,300	0.02
Canon	39,600	0.10	Nomura Holdings	75,900	0.06
Chubu Electric Power	24,900	0.03	NTT DoCoMo	550	0.04
Central Japan Railway	70	0.03	Orix	4,350	0.05
Dai Nippon Printing	38,000	0.02	Resona Bank	210	0.02
Daiichi Sankyo	24,515	0.03	Ricoh	35,000	0.04
Daiwa House	30,000	0.02	Rohm	8,600	0.03
Daiwa Secs	50,000	0.02	Secom	12,400	0.03
Denso	18,000	0.03	Sekisui House	43,000	0.03
East Japan Railway	122	0.04	Seven & I Holdings	26,000	0.03
Eisai	12,000	0.02	Sharp	30,000	0.02
Fanuc	6,800	0.03	Shin-Etsu Chemical	12,100	0.04
Fuji Photo Film	18,000	0.04	Softbank	35,200	0.03
Fujitsu	68,000	0.02	Sompo Japan Insurance	40,000	0.02
Hankyu Hanshin	59,000	0.01	Sony	33,800	0.08
Hitachi	95,000	0.03	Sumitomo Chemical	65,000	0.02
Honda Motor	36,700	0.06	Sumitomo Corp	46,000	0.04
Hoya	17,200	0.04	Sumitomo Electric	25,600	0.02
Itochu	60,000	0.03	Sumitomo Metal	138,000	0.04
JFE	16,500	0.04	Sumitomo Metal Mining	34,000	0.03
Kansai Electric Power	26,200	0.03	Sumitomo Mitsui	241	0.10
Kao	22,000	0.02	Sumitomo Realty & Development	22,000	0.03
KDDI	80	0.03	Sumitomo Trust & Banking	76,000	0.03
Keyence	2,600	0.02	Suzuki Motor	22,000	0.03
Kobe Steel	188,000	0.03	T & D Holdings	7,000	0.02
Komatsu	43,900	0.06	Takeda Pharmaceuticals	23,200	0.07
Kyocera	6,100	0.03	TDK	7,700	0.03
Kyushu Electric Power	12,000	0.01	Tokyo Electric Power	33,800	0.05
Matsushita Electric Industries	73,000	0.06	Tokyo Electron	7,500	0.02
Millea	51,800	0.09	Tokyo Gas	158,000	0.03
Mitsubishi Chemical	101,000	0.04	Toray Industries	62,000	0.02
Mitsubishi Corp	44,200	0.05	Toshiba	100,000	0.04
Mitsubishi Electric	75,000	0.03	Toyota Motor	77,800	0.21
Mitsubishi Estate	43,000	0.05	Yamada Denki	6,200	0.03
Mitsubishi Heavy Industrial	135,000	0.04			
Mitsubishi Motors	310,000	0.02			
Mitsubishi UFJ Financial	304	0.15	PACIFIC BASIN 2.97% (31.12.06, 3.09%)		
Mitsui & Co	50,000	0.04	HONG KONG 0.59%		
Mitsui Fudosan	32,000	0.04	Air China	846,000	0.03
Mitsui Lines	65,000	0.04	Bank of China	1,350,000	0.03
Mitsui Sumitomo Insurance	51,000	0.03	Bank of East Asia	164,000	0.04
Mizuho Financial	220	0.07	Beijing Jinkelong	730,000	0.03
Murata Manufacturing	8,200	0.03	China Communications	1,050,000	0.03
NEC	80,000	0.02	China Construction	1,013,000	0.03
Nintendo	3,800	0.06			

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	<i>Market Value</i>	<i>%</i>		<i>Market Value</i>	<i>%</i>
<i>Holding</i>	<i>£'000</i>	<i>Fund</i>		<i>£'000</i>	<i>Fund</i>
China Life Insurance	171,000	306	0.03		
China Merchants	192,000	461	0.04		
China Mobile	160,100	857	0.08		
China State Construction	726,000	492	0.04		
Hang Lung Properties	213,000	364	0.03		
HKEX	87,000	613	0.05		
Kowloon Development	555,000	551	0.05		
Petrochina	500,000	365	0.03		
Shenzen Investment	1,450,000	546	0.05		
THAILAND 0.02%					
				Bangkok Bank	110,000 192 0.02
AUSTRALIA & NEW ZEALAND 0.98%					
				AGL Energy	103,300 663 0.06
				ANZ Bank	50,500 615 0.05
				Asciano	55,000 236 0.02
				Babcock & Brown	450,000 326 0.03
				Babcock & Brown Power	254,000 365 0.03
				BHP Billiton	89,300 1,322 0.12
				Commonwealth Bank of Australia	36,000 836 0.07
				Insurance Australia	180,000 433 0.04
				Macquarie Bank	20,250 726 0.06
				Metcash	360,000 684 0.06
				Oxiana	225,000 335 0.03
				QBE	81,000 1,059 0.09
				Rio Tinto	9,500 396 0.03
				Santos	143,000 833 0.07
				Sonic Healthcare	87,000 550 0.05
				Westfield	94,565 795 0.07
				Woodside Petroleum	26,400 510 0.05
				Zinifex	69,700 548 0.05
OTHER OVERSEAS 0.28%					
				Invesco Emerging Markets Equity Fund	44,259 901 0.08
				J P Morgan Fleming	
				Emerging Markets	402,752 1,677 0.15
				Merrill Lynch Latin American Investment Trust	118,338 553 0.05
UNQUOTED 0.56% (31.12.06, 0.58%)					
				CCLA Investment Management Limited B	28,167 3,324 0.29
				CCLA Investment Management Limited D	26,000 3,068 0.27
				HV II Distributions	6,667 - -
PROPERTY UNIT TRUST 8.97% (31.12.06, 9.02%)					
				COIF Charities Property Fund Income Units*	66,147,379 101,880 8.97
FIXED INTEREST STOCKS 5.67% (31.12.06, 6.20%)					
UNITED KINGDOM 4.27% (31.12.06, 4.70%)					
				Treasury 5% Stock 2008	1,105,000 1,100 0.10
				Treasury 5.75% Stock 2009	602,934 602 0.05
				Treasury 6.25% Stock 2010	11,620,000 11,786 1.04
SOUTH KOREA 0.59%					
Atlantis Korea Smaller Companies Fund	7,000	237	0.02		
Hana Financial	16,665	405	0.04		
Hyundai Mipo Dock	2,700	373	0.03		
Kookmin Bank	9,800	429	0.04		
Korea Electric Power	17,000	376	0.03		
Korea Exchange Bank	52,000	384	0.03		
LG Dacom	39,300	533	0.05		
Lotte Shopping	1,650	320	0.03		
Orion	1,740	259	0.02		
Samsung Electronics	5,300	1,615	0.14		
Samsung Fire & Marine	5,800	557	0.05		
Samsung Heavy	26,500	646	0.06		
Shinhan Financial	17,000	514	0.05		
SINGAPORE 0.27%					
Goodpack	144,000	103	0.01		
Keppel Land	180,000	510	0.05		
KS Energy Services	180,000	222	0.02		
Olam	691,000	694	0.06		
Pan-United Marine	44,000	34	-		
Pine Agritech	1,700,000	327	0.03		
Sembcorp Marine	350,000	557	0.05		
United Overseas Bank	79,040	564	0.05		
TAIWAN 0.52%					
Acer	402,360	407	0.04		
ASE	733,900	497	0.04		
Asustek Computer	212,000	290	0.03		
Au Optronics	403,760	343	0.03		
Cathay Financial	433,949	514	0.05		
Fuhwa Financial	987,973	279	0.02		
Hon Hai	232,190	996	0.09		
Lite-on Technology	405,454	260	0.02		
President Chain Store	265,000	374	0.03		
Quanta Computer	423,038	328	0.03		
Taiwan Opportunities Fund	51,905	569	0.05		
TSMC	961,980	1,029	0.09		

* COIF Charities Property Fund is managed by CCLA Investment Management Limited.

COIF Charities Investment Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	<i>Holding</i>	<i>Market Value £'000</i>	<i>% Fund</i>
Conversion Stock			
9% 2011	4,210,000	4,689	0.41
Treasury 8% Stock 2013	5,135,000	5,754	0.50
Treasury 8% Stock 2015	1,050,000	1,220	0.11
Treasury 8.75% Stock 2017	4,265,000	5,344	0.47
Treasury 8% Stock 2021	2,180,000	2,742	0.24
Treasury 5% Stock 2025	1,215,000	1,192	0.11
Treasury 6% Stock 2028	4,400,000	4,932	0.43
Treasury 4.25% Stock 2036	1,100,000	1,002	0.09
Treasury 4.75% Stock 2038	8,205,000	8,158	0.72
OVERSEAS 1.40% (31.12.06, 1.50%)			
Germany 0.94%			
Bund 4.5% 2009	5,000,000	3,366	0.30
Bund 5.25% 2011	5,505,000	3,790	0.34
Bund 5.5% 2031	4,500,000	3,349	0.30
USA 0.39%			
US Treasury 5.625% Bond 2008	4,010,000	2,009	0.18
US Treasury 5% Bond 2011	1,185,000	593	0.05
US Govt 3% TIPS 2012	3,485,000	2,035	0.16
Japan 0.07%			
JGB 0.8% 2010	190,000,000	755	0.07
PORTFOLIO OF INVESTMENTS		<u>1,091,899</u>	<u>96.17</u>
NET OTHER ASSETS		<u>43,465</u>	<u>3.83</u>
NET ASSETS		<u><u>1,135,364</u></u>	<u><u>100.00</u></u>

COIF Charities Investment Fund

Summary of Material Portfolio Changes

for the six months ended 30 June 2007 (unaudited)

	<i>Cost</i> <i>£'000</i>
Total purchases for the period	92,262
Major purchases:	
Royal Dutch Shell B	10,063
Diageo	4,785
Premier Foods	4,740
Unilever	3,011
Trinity Mirror	2,594
Mouchel Parkman	2,414
Royal & Sun Alliance	2,351
SAB Miller	2,281
Marks & Spencer	2,065
G4S	2,035
Compass	1,877
Dairy Crest	1,758
Yell	1,481
Babcock & Brown Power	1,291
US Treasury 5.625% 2008	1,149
US Treasury 5.375% 2031	1,140
Treasury 5% Stock 2008	1,101
Treasury 4.25% Stock 2055	1,086
British Airways	1,045
Commonwealth Bank of Australia	929
	<i>Proceeds</i> <i>£'000</i>
Total sales for the period	119,020
Major sales:	
Scottish Power	9,350
Land Securities	5,369
BP	5,124
Hammerson	4,628
Yell	3,105
Hanson	3,044
Michael Page	3,004
Corus	2,675
Cadbury Schweppes	2,617
Spectris	2,280
Davis Service	2,258
Close Brothers	2,214
Eaglet Investment Trust	2,188
Carnival	2,147
Pendragon	1,767
Rexam	1,638
Workspace	1,597
Sage	1,570
IGD	1,546
AstraZeneca	1,464

The above summary reflects the 20 largest aggregate purchases and sales, or those purchases and sales greater than 2% of the Net Asset Value of the fund at the start of the period where they number greater than 20.

COIF Charities Investment Fund

Balance Sheet

at 30 June 2007 (unaudited)

	Notes	30.6.2007 £'000	31.12.2006 £'000
ASSETS			
Portfolio of investments		1,091,899	1,074,207
Debtors	8	10,325	4,381
Cash and bank balances	9	<u>42,577</u>	<u>28,783</u>
Total other assets		<u>52,902</u>	<u>33,164</u>
Total assets		1,144,801	1,107,371
LIABILITIES			
Creditors	10	2,462	90
Distribution payable on income units		<u>6,975</u>	<u>9,291</u>
Total liabilities		<u>9,437</u>	<u>9,381</u>
Net assets attributable to unitholders		<u>1,135,364</u>	<u>1,097,990</u>

The notes on pages 22 to 29 form part of these accounts.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commission in March 2005 and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in December 2005. Under these regulations, Debt Securities are disclosed on the Effective Yield basis as prescribed by FRS 26.

(b) Income recognition

Dividends on ordinary stocks, including special dividends where appropriate, and unit trusts are accrued to income on the dates when the investments are first quoted ex-dividend. Interest on Government and other fixed interest stocks, bank and COIF Charities Deposit Fund balances is accrued on a daily basis. Amortisation of the purchase premium or discount of Debt Securities is set off against income under FRS 26 over the remaining life of the security.

(c) Management expenses

The Manager's periodic charge paid to CCLA Investment Management Limited is charged 75% to the capital and 25% to the income of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.30% p.a. plus VAT. The Fund receives a management fee rebate credited to the income of the Fund for its holding in the COIF Charities Property Fund and for the Fund's deposits in COIF Charities Deposit Fund where, in both Funds, management fees are charged to income. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of staff and investment services and other expenses incurred by the Manager. The Corporate Trustee fee, audit, legal, safe custody fees and transaction charges and insurance are charged separately to the income of the Fund before distribution.

(d) Distributions

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

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on the last business day of the accounting period. Any unquoted, unlisted, delisted or suspended investments are stated at cost or valuation by CCLA Investment Management Limited and reviewed by the Board.

Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in Sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into Sterling at the exchange rates ruling on the transaction dates.

2. Net gains on investments

30.6.2007	<i>30.6.2006</i>
£'000	<i>£'000</i>

The net gains on investments during the period comprise:

Non-derivative securities	<u>44,538</u>	<u>24,841</u>
Net gains on investments	<u>44,538</u>	<u>24,841</u>

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

3. Other gains/(losses)	30.6.2007	30.6.2006
	£'000	£'000
Other gains/(losses) comprise:		
Currency gain/(loss)	<u>351</u>	<u>(363)</u>
4. Income	30.6.2007	30.6.2005
	£'000	£'000
UK dividends	13,607	12,395
COIF Charities Property Fund dividends	2,150	2,252
Overseas dividends	3,200	2,927
Dividends on unquoted stocks	-	114
Interest on debt securities	1,215	1,754
Interest on COIF Charities Deposit Fund	746	280
Bank interest	<u>122</u>	<u>73</u>
	<u>21,040</u>	<u>19,795</u>

The decision whether a special dividend is income or capital depends upon the proportion paid as a dividend relative to the capital value of the entity paying the dividend. Where this is significant, which is regarded as a level of more than 5% of the value of the entity, the special dividend is treated as capital. Previously, the underlying circumstances were reviewed on a case by case basis to determine whether the special dividends should be treated as income or capital.

5. Expenses	30.6.2007	30.6.2006
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	1,944	1,824
Manager's periodic charge rebate – see Note 1(c)*	<u>(412)</u>	<u>(370)</u>
	<u>1,532</u>	<u>1,454</u>
Payable to the Corporate Trustee, associates of the Corporate Trustee and agents of either of them:		
Corporate Trustee fee	9	11
Safe custody fees and transaction charges	91	86
Travelling	<u>1</u>	<u>-</u>
	<u>101</u>	<u>97</u>
Other expenses:		
Insurance	11	11
Professional fees	-	29
Audit fee	6	6
Consultancy fee	<u>-</u>	<u>1</u>
	<u>17</u>	<u>47</u>
Total expenses	<u>1,650</u>	<u>1,598</u>

*This amount represents the rebate of management fees credited to the Fund's income for its holding in the COIF Charities Property Fund and for the Fund's deposits in the COIF Charities Deposit Fund where, in both Funds, the management fees are charged to income.

The above expenses include VAT where applicable.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

6. Taxation

The Fund is exempt from UK income tax 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 income credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Withholding tax is credited to income when it is recovered.

	30.6.2007	30.6.2006
	£'000	£'000
Overseas taxation suffered in the period	544	379
Overseas taxation recovered in the period	(2)	(71)
Provision for overseas tax in prior periods	-	-
Total taxation	<u>542</u>	<u>308</u>

7. Finance Costs

Distributions

Distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	30.6.2007	30.6.2006
	£'000	£'000
31 March – Interim distribution	7,839	8,002
30 June – Interim distribution	8,369	8,143
	<u>16,208</u>	16,145
Add: Income deducted on cancellation of units	112	73
Deduct: Income received on creation of units	(32)	(42)
Net distribution for the period	<u>16,288</u>	<u>16,176</u>
Net income after taxation for the period	18,848	17,889
Amortisation under Effective Yield (FRS 26)	541	-
Manager's periodic charge – see Note 1(c)	1,458	1,365
Transfer to income reserve – see Note 11	(4,559)	(3,078)
Net distribution for the period	<u>16,288</u>	<u>16,176</u>

Details of the distribution per unit are set out in the distribution table on page 11.

8. Debtors

	30.6.2007	31.12.2006
	£'000	£'000
Sales awaiting settlement	5,197	-
Accrued income	5,068	4,310
Prepayments	32	43
Other debtors	28	28
	<u>10,325</u>	<u>4,381</u>

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

9. Cash and bank balances	30.6.2007	<i>31.12.2006</i>
	£'000	<i>£'000</i>
Cash in COIF Charities Deposit Fund	34,590	25,111
Cash in overseas currencies	6,555	3,323
Cash at bank	1,432	349
	<u>42,577</u>	<u>28,783</u>

10. Creditors	30.6.2007	<i>31.12.2006</i>
	£'000	<i>£'000</i>
Accrued expenses	86	77
Overseas tax payable	-	13
Purchases awaiting settlement	2,376	-
	<u>2,462</u>	<u>90</u>

11. Income reserve

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

	30.6.2007	<i>30.6.2006</i>
	£'000	<i>£'000</i>
Income reserve at start of the half-year period	2,062	1,908
Transfer to income reserve	4,559	3,078
Income reserve at end of the half-year period	<u>6,621</u>	<u>4,986</u>

12. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market values (see Note 1(e)), except for the holding in CCLA Investment Management Limited (see Note 16). Bid-market value is considered to be a fair representation of the amount repayable to unitholders should they wish to sell their units. Other financial assets and liabilities of the Fund are included in the balance sheet at their fair value.

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

Market price risk

The Fund is actively-managed and invests in UK and overseas equities, and fixed interest investments. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence, and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the unit price from time to time, although there will generally be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

Currency risk

The Fund is exposed to fluctuations in foreign currencies as some of its assets and income are denominated in currencies other than Sterling, the base currency of the Fund. However, it does not seek to avoid this exchange rate movement risk on investments and income accrued but not yet received. In respect of income, receipts are converted to Sterling shortly after receipt.

At 30 June 2007, the Fund's foreign currency exposure was predominantly from the overseas equities it was invested in, which are detailed in the portfolio statement. The total exposure at 30 June was:

<i>Currency</i>	30.6.2007	31.12.2006
	£'000	£'000
Australian Dollar	12,461	10,069
Danish Krone	353	351
Euro	87,911	80,961
Hong Kong Dollar	8,059	8,814
Japanese Yen	39,791	33,017
Malaysian Dollar	-	166
New Zealand Dollar	27	25
Norwegian Krone	2	2
Singapore Dollar	3,102	2,479
South Korean Won	6,720	6,728
Swedish Krona	606	3,710
Swiss Franc	895	9,010
Taiwan Dollar	6,202	5,345
Thailand Baht	198	180
US Dollar	83,758	71,648
	<u>250,085</u>	<u>232,505</u>

Credit risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager.

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest stocks, unit trusts and Sterling and overseas cash deposits. These assets are generally liquid, except for the unit trusts which are realisable only on their weekly or monthly dealing dates and the holdings in the unquoted investments which are not readily realisable, and enable the Fund to meet the payment of any redemption of units that unitholders may wish to make.

Interest rate risk

The majority of the Fund's financial assets are equities which do not receive interest nor have maturity dates. The Fund also invests in fixed interest securities, the income of which may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2007 was as set out below:

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	36,022	48,521	809,688	894,231
Euro	1,168	10,505	76,626	88,299
US Dollar	252	4,637	78,869	83,758
Other	5,135	755	72,623	78,513

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-	-	9,437	9,437
Euro	-	-	-	-
US Dollar	-	-	-	-
Other	-	-	-	-

31 December 2006

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	25,460	51,560	797,845	874,865
Euro	1,401	10,963	68,597	80,961
US Dollar	2,128	2,656	66,864	71,648
Other	1,852	805	77,240	79,897

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-	-	9,381	9,381
Euro	-	-	-	-
US Dollar	-	-	-	-
Other	-	-	-	-

* 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.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

The fixed rate element of the portfolio is further analysed in the following table.

<i>Currency</i>	<i>Fixed rate financial assets £'000</i>	<i>Weighted average interest rate %</i>	<i>Weighted average period for which rate is fixed Years</i>
Sterling	48,521	5.50	12.60
Euro	10,505	4.58	9.49
US Dollar	4,637	3.96	3.20
Japan	755	1.26	3.56

31 December 2006

<i>Currency</i>	<i>Fixed rate financial assets £'000</i>	<i>Weighted average interest rate %</i>	<i>Weighted average period for which rate is fixed Years</i>
Sterling	51,560	4.76	13.80
Euro	10,963	3.98	10.22
US Dollar	4,714	3.83	3.61
Japan	805	1.09	3.97

13. Future Calls

There were no future calls due for payment after 30 June 2007 (31.12.2006, £nil).

14. Underwriting and underwriting commitments

The Fund may, with the written approval of the Charity Commissioners, underwrite new issues of stock. At 30 June 2007 there were no commitments outstanding (31.12.2006, £nil).

15. Contingent liabilities

There were no contingent liabilities at 30 June 2007 (31.12.2006, £nil).

16. Unquoted and other investments

Unquoted investments include the Investment Fund's holding of 25% of the issued shared capital of CCLA Investment Management Limited, which provides investment management and administrative services to the COIF Charity Funds. The valuation of the holding is based on a discounted market value calculation reviewed quarterly.

Not more than 20% in value of the Fund may be invested in units in Authorised Unit Trust Schemes and collective investment and deposit schemes as provided in the Fund's Scheme. At 30 June 2007, 9.0% (31.12.2006, 9.0%) of the value of the Fund was held in units in the COIF Charities Property Fund and 3.0% (31.12.2006, 2.3%) of the value of the Fund was held in the COIF Charities Deposit Fund. At 30 June 2007, 0.1% (31.12.2006, 0.1%) of the value of the Fund was held in Authorised Unit Trust Schemes.

At 30 June 2007 the COIF Charities Investment Fund held 61.5% (31.12.2006, 61.1%) of the COIF Charities Property Fund which may not be readily realisable. The Manager may impose a period of notice or delay not exceeding six months before carrying out a redemption of units in that Fund if it is deemed to be necessary to protect the interests of unitholders of the Fund or to permit properties to be sold to meet a redemption.

COIF Charities Investment Fund

Notes to the Accounts

(unaudited)

17. Board remuneration

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

18. Related party transactions

The Manager's periodic charge is paid to CCLA Investment Management Limited and the Corporate Trustee fee, safe custody fee and transaction charges are paid to HSBC Bank plc, both related parties to the Fund. The amounts paid in respect of these charges are disclosed in Note 5. In addition, CCLA Investment Management Limited made a voluntary, without prejudice, payment of £nil (30.6.2006, £39,900) to the Fund as a contribution towards professional fees and penalties in relation to US tax issues.

The COIF Charities Properties Fund is a related party to the Fund. At 30 June 2007 the Fund held 61.5% of the units of the COIF Charities Property Fund. The net assets of the COIF Charities Property Fund have not been consolidated as, due to the Trustee arrangements, the Fund is unable to exercise control over the COIF Charities Property Fund.

A rebate of management fees is credited to the Fund's income for its holding in the COIF Charities Property Fund and for the Fund's deposits in the COIF Charities Deposit Fund where, in both Funds, the management fees are charged to income as disclosed in Note 5.

At 30 June 2007 the balances due to CCLA Investment Management Limited and HSBC Bank plc were as set out below:

	30.6.2007	<i>31.12.2006</i>
	£'000	<i>£'000</i>
CCLA Investment Management Limited	-	-
HSBC Bank plc Corporate Trustee fee	5	10
HSBC Bank plc safe custody fee and transaction charges	17	13

There were no other transactions entered into with CCLA Investment Management Limited or HSBC Bank plc during the period.

19. Portfolio transaction costs

	30.6.2007	<i>30.6.2006</i>
	£'000	<i>£'000</i>
Analysis of total purchase costs:		
Purchases in period before transaction costs	92,076	93,117
Commissions	186	155
Gross purchases total	<u>92,262</u>	<u>93,272</u>
Analysis of total sale costs:		
Gross sales in period before transaction costs	119,257	111,296
Commissions	(237)	(155)
Total sales net of transaction costs	<u>119,020</u>	<u>111,141</u>

COIF Charities Fixed Interest Fund

Report of the Investment Manager

for the six months ended 30 June 2007

- A high-income fund for long-term capital
- Invested only in Sterling fixed income stocks
- Gives no long-term protection for capital against inflation
- Good performance record

Performance

Over the period under review the Fund returned -2.76% before management expenses, reflecting a decline in global bond markets. The Fund outperformed the FTSE Government All Stocks Index, which returned -3.07%, by 0.31%. The Accumulation Unit price fell by 2.96%, from 465.51p to 451.73p and the Income Unit price fell by 5.71%, from 127.75p to 120.45p.

The distribution rate for the period was 3.6p per Income Unit. As at 30 June 2007 the dividend yield was 5.98% and the gross redemption yield, which is an estimate of the total return of the Fund over the long term after management expenses, was 5.22%. We expect that the annual distribution rate will be maintained at 7.2p for the year ending 31 December 2007. Unitholders should be aware that the Fund's income and gross redemption yields are not guaranteed and will change over time, due to changes in markets and the make up of the Fund. When the income yield is higher than the

gross redemption yield, part of the income is being paid out of capital.

Market Review

The bond market lost ground over the period under review as hopes of an imminent cut in US interest rates faded and UK rates rose with the expectation of further policy tightening to come. The market had expected that US growth would slow significantly in the first half of 2007 and inflationary pressures would begin to fall as the impact of the US housing market slowdown fed through to the wider economy. In the event, the slowdown in US growth was less severe than had been expected and with inflation remaining above the Federal Reserve's comfort zone, expectations of an interest rate cut were pushed out until later in the year. Against a background of fairly robust growth and rising property prices in the UK, the Bank of England responded to signs of increasing inflation by tightening monetary policy by 0.25% in January and May taking interest rates to 5.5%. Having been relatively immune to rate tightening, long dated gilt yields have recently started to rise. The yield on the 30 year gilt rose from 4.0% to 4.6% over the reporting period. The rise in longer dated bond yields reflects the improvement in global economic prospects. It is also in part a response to increased bond issuance and the introduction of alternative long dated fixed interest products.

The COIF Charities Fixed Interest Securities Fund Annualised Total Capital and Income Return*

To 30 June 2007	Six Months %	1 Year % p.a.	5 Years % p.a.	10 Years % p.a.
<u>Performance against market indices (before expenses)</u>				
COIF Charities Fixed Interest Fund	-2.76	-0.42	+4.30	+6.29
WM Co CFS Universe, UK Bonds	-2.15	+0.32	+4.43	+6.31
FTSE UK Govt All-Stocks Index	-3.07	-0.67	+4.06	+5.98
<u>Performance after expenses</u>				
Income Shares*	-2.93	-0.72	+4.08	+6.08
Accumulation Shares*	-2.96	-0.76	+4.06	+6.06

* Net Asset Value to Net Asset Value plus income re-invested.

COIF Charities Fixed Interest Fund

Report of the Investment Manager

for the six months ended 30 June 2007

Strategy

Over the period the Fund was overweight shorter dated fixed interest securities due to our concerns about the interest rate outlook. This positioning was also designed to help protect the Fund's overall capital value. We reduced the exposure to corporate bonds, which outperformed gilts over the period, to a 13.6% weighting as we believe the yield premium offered on corporate bonds is now too small. The proceeds were reinvested in similar dated UK gilt edged securities. The Fund's performance benefited from the exposure to corporate bonds and the decision to be underweight long dated securities.

Outlook

The yields obtainable on shorter dated gilt yields are no longer at historically low levels and the outlook is becoming more favourable given the amount of monetary policy tightening that has already happened. However, as the gilt yield curve remains deeply inverted, yields at the long end are still relatively unattractive. The prospects for the corporate bond sector are looking less positive following the upward movement in government bond yields, especially for securities with lower credit ratings. Going forward we shall keep a low asset allocation to the corporate bond sector within the Fund while maintaining an overweight allocation to securities with shorter dated maturities as a protection against possible capital deterioration.



Stuart Freeman
Fund Manager
CCLA Investment Management Limited

23 July 2007

COIF Charities Fixed Interest Fund

Net Asset Value, Unit Price Range, Net Distributions and Total Expense Ratio

Net Asset Value

At 31 December	Net Asset	Income Units		Accumulation Units	
	Value £'000	Net Asset Value Pence per Unit	Number of Units in Issue	Net Asset Value Pence per Unit	Number of Units in Issue
2004	169,457	131.36	115,437,105	429.27	4,150,458
2005	170,214	133.98	113,298,517	462.05	3,986,163
2006	163,545*	127.75	111,342,883	465.51	4,646,292
At 30 June 2007	164,787*	120.45	110,406,812	451.73	7,163,250

*The net asset value is calculated on a mid-market value basis whereas in the Balance Sheet where the investments are valued on a bid-market value basis in accordance with the December 2005 IMA SORP.

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
2002	139.55	131.12	392.52	357.29
2003	140.43	130.18	408.57	390.08
2004	134.68	127.73	432.86	399.57
2005	135.84	129.50	462.97	423.60
2006	135.99	127.49	472.51	450.86
To 30 June 2007	128.72	121.52	468.98	449.09

Net Distributions

Year to 31 December	Income Units Pence per Unit	Accumulation Units Pence per Unit
2002	8.80	24.07
2003	8.80	24.76
2004	8.80	25.85
2005	7.20	25.87
2006	7.20	25.63
To 30 June 2007	3.60	13.42

Unit Prices at 30 June 2007

	Bid Price Pence per Unit	Offer Price Pence per Unit
Income Units	120.21	120.69
Accumulation Units	450.83	452.63

The Unit prices are published in *The Times*, *The Daily Telegraph* and *Financial Times*.
The offer and bid prices are calculated on the net asset value plus or minus a 0.20% surcharge or deduction.

Total Expense Ratio

	30.6.2007	30.6.2007
Total expense ratio (annualised)	0.28%	0.29%

The total expense ratio is the ratio of the Fund's total operating costs to its average net assets calculated over the period.

COIF Charities Fixed Interest Fund

Summary of Investments and Maturity Profile

at 30 June 2007 (unaudited)

	30.6.2007 <i>Nominal Value £'000</i>	30.6.2007 <i>Market Value £'000</i>	30.6.2007 <i>% of Total</i>	31.12.2006 <i>% of Total</i>	30.6.2007 <i>Interest Yield %</i>	30.6.2007 <i>Gross Redemption Yield %</i>
By Sector						
Government Stocks	130,320	140,514	84.94	81.33	6.28	5.47
Debentures	1,850	2,287	1.38	1.46	8.65	6.32
Eurosterling Bonds	14,405	16,453	9.95	12.55	7.36	6.11
Other Fixed Interest Stocks	3,202	3,632	2.20	2.30	9.25	6.24
Net current assets	2,537	2,537	1.53	2.36	5.32	5.43
Total	152,314	165,423	100.00	100.00	6.48	5.56
By Maturity						
Net current assets	2,537	2,537	1.53	2.36	5.32	5.43
0-5 years	56,090	59,713	36.10	33.23	7.23	5.88
5-10 years	24,082	28,020	16.94	16.41	7.47	5.90
10-15 years	18,430	23,116	13.97	14.29	6.77	5.56
15-20 years	2,630	2,451	1.48	1.62	5.15	5.44
Over 20 years	48,020	48,647	29.41	31.44	4.95	4.96
Undated	525	939	0.57	0.65	6.43	6.29
Total	152,314	165,423	100.00	100.00	6.48	5.56

Average term to maturity: 12.8 years (31.12.2006, 13.7 years)

Distribution Table

for the six months ended 30 June 2007 (unaudited)

Period Ended	Date of Payment	Distribution Payable Pence per Unit	
		2007	2006
Income Units			
31 March 2007	31 May 2007	1.80	1.80
30 June 2007	31 August 2007	1.80	1.80
		3.60	3.60
<i>Income Accumulated Pence per Unit</i>			
Accumulation Units			
31 March 2007		6.65	6.38
30 June 2007		6.77	6.29
		13.42	12.67

COIF Charities Fixed Interest Fund

Statement of Total Return

for the six months ended 30 June 2007 (unaudited)

	Notes	30.6.2007		30.6.2006	
		£'000	£'000	£'000	£'000
Net losses on investments during the period	2		(8,905)		(7,156)
Income	3	4,127		4,877	
Expenses	4	<u>(231)</u>		<u>(236)</u>	
Net income for the period			<u>3,896</u>		<u>4,641</u>
Total return before distributions			(5,009)		(2,515)
Finance Costs: Distributions	6		<u>(4,795)</u>		<u>(4,567)</u>
Change in net assets attributable to unitholders			<u>(9,804)</u>		<u>(7,082)</u>

Statement of Change in Unitholders' Net Assets

for the six months ended 30 June 2007 (unaudited)

	30.6.2007		30.6.2006	
	£'000	£'000	£'000	£'000
Net assets at start of the period		163,890		170,214
Movement due to creations and cancellations of units				
Amounts receivable on creation of units	17,935		5,326	
Less: Amounts payable on cancellation of units	<u>(7,502)</u>		<u>(7,608)</u>	
		10,433		(2,282)
Change in net assets attributable to unitholders (see above)		(9,804)		(7,082)
Retained distribution on accumulation units		<u>904</u>		<u>536</u>
Net assets at end of the period		<u>165,423</u>		<u>161,386</u>

The notes on pages 39 to 45 form part of these accounts.

COIF Charities Fixed Interest Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	<i> Holding</i>	<i> Market Value £'000</i>	<i> % Fund</i>
Government Stocks 84.94% (31.12.06, 81.33%)			
Treasury 8.5% Stock 2007	1,000,000	1,001	0.61
Treasury 5% Stock 2008	8,500,000	8,464	5.12
Treasury 6.25% Stock 2010	12,700,000	12,881	7.79
Conversion 9% Stock 2011	26,970,000	30,042	18.15
Treasury 8% Stock 2013	9,000,000	10,085	6.10
Treasury 8% Stock 2015	8,200,000	9,530	5.76
Treasury 8.75% Stock 2017	6,780,000	8,495	5.14
Treasury 8% Stock 2021	8,650,000	10,878	6.58
Treasury 5% Stock 2025	500,000	491	0.30
Treasury 6% Stock 2028	14,740,000	16,522	9.98
Treasury 4.25% Stock 2032	3,500,000	3,163	1.91
Treasury 4.25% Stock 2036	7,740,000	7,047	4.26
Treasury 4.75% Stock 2038	22,040,000	21,915	13.24
Debenture Stocks 1.38% (31.12.06, 1.46%)			
Monks Inv Trust 11% Deb. Stock 2012	550,000	664	0.40
British Sugar 10.75% Deb. Stock 2013	800,000	975	0.59
BAA Lynton 10.25% Deb. Stock 2017	500,000	648	0.39
Eurosterling Bonds 9.95% (31.12.06, 12.55%)			
BP Capital 5% Bond 2007	1,000,000	994	0.60
Barclays 9.875% Bond 2008/Undated	1,250,000	1,286	0.78
EIB 6.25% Bond 2008	1,000,000	1,005	0.61
Halifax 6.375% Bond 2008	600,000	601	0.36
Blue Circle 10.75% Bond 2013	1,500,000	1,844	1.11
RBS 10.5% Bond 2013	1,000,000	1,192	0.72
Bank of Scotland 10.25% Bond 2015	900,000	1,105	0.67
Aviva 9.5% Bond 2016	2,000,000	2,431	1.47
EIB 8.75% Bond 2017	2,000,000	2,435	1.47
Halifax 10.5% Bond 2018	500,000	660	0.40
Network Rail 4.75% Bond 2024	2,130,000	1,961	1.19
Nat West 11.5% Conv Bond Undated	525,000	939	0.57

COIF Charities Fixed Interest Fund

Portfolio Statement

at 30 June 2007 (unaudited)

	<i>Market Value £'000</i>	<i>% Fund</i>
	<i> Holding</i>	
Other Fixed Interest Stocks 2.20% (31.12.06, 2.30%)		
EIB 9.5% Bond 2009	1,250,000	1,348 0.82
World Bank 9.5% Bond 2010	750,000	825 0.50
Barclays 12% ULS Bond 2010	520,260	602 0.36
BOC 12.25% ULS Bond 2012/17	682,000	857 0.52
PORTFOLIO OF INVESTMENTS	<u>162,886,</u>	<u>98.47</u>
NET OTHER ASSETS	2,537	1.53
TOTAL PORTFOLIO	<u><u>165,423</u></u>	<u><u>100.00</u></u>

COIF Charities Fixed Interest Fund

Summary of Material Portfolio Changes

for the six months ended 30 June 2007 (unaudited)

	<i>Cost</i> <i>£'000</i>
Total purchases for the period	24,511
Purchases:	
Treasury 5% Stock 2008	3,686
Treasury 4.25% Stock 2055	3,622
Treasury 6.25% Stock 2010	3,539
Treasury 8% Stock 2015	2,441
Treasury 4.75% Stock 2038	2,170
Treasury 8% Stock 2013	2,053
Treasury 4.25% Stock 2032	1,999
Treasury 8.75% Stock 2017	1,750
Conversion 9% Stock 2011	1,749
Treasury 6% Stock 2028	1,502
	<i>Proceeds</i> <i>£'000</i>
Total sales for the period	11,726
Major Sales:	
Treasury 4.25% Stock 2055	3,688
Treasury 4.25% Stock 2036	3,621
Network Rail Bond 4.875% 2015	1,230
Tesco 6.625% Bond 2010	1,028
Toyota Motor Credit 4.625% 2011	962
Treasury 5% Stock 2008	697
Treasury 8.75% Stock 2017	500

The above summary reflects all purchases and sales in the period.

COIF Charities Fixed Interest Fund

Balance Sheet

at 30 June 2007 (unaudited)

	Notes	30.6.2007		31.12.2006	
		£'000	£'000	£'000	£'000
ASSETS					
Portfolio of investments			162,886		160,015
Debtors	7	6,489		2,706	
Cash and bank balances	8	<u>2,252</u>		<u>3,199</u>	
Total other assets			<u>8,741</u>		<u>5,905</u>
Total assets			171,627		165,920
LIABILITIES					
Creditors	9	4,217		26	
Distribution payable on income units		<u>1,987</u>		<u>2,004</u>	
Total liabilities			6,204		2,030
Net assets attributable to unitholders			<u>165,423</u>		<u>163,890</u>

The notes on pages 39 to 45 form part of these accounts.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commission in March 2005 and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in December 2005. Under these regulations, Fixed Interest Debt Securities are disclosed on the Effective Yield basis as prescribed by FRS 26.

(b) Income recognition

Interest on Government stocks, debentures, eurosterling bonds, other fixed interest stocks and bank and COIF Charities Deposit Fund balances is accrued on a daily basis. Amortisation of the purchase premium or discount of Fixed Interest Debt Securities is set off against income under FRS 26 over the remaining life of the security.

(c) Management expenses

The Manager's periodic charge paid to CCLA Investment Management Limited is charged to the income of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.22% p.a. plus VAT, less a management fee rebate for the Fund's deposits in COIF Charities Deposit Fund. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of staff and investment services and other expenses incurred by the Manager. The Corporate Trustee fee, audit, legal, safe custody fees and transaction charges and insurance are charged separately to the income of the Fund before distribution.

(d) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve to even out the fluctuations in income which arise over the years (see Note 10).

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on the last business day of the accounting period. Any unquoted, unlisted, delisted or suspended investments are stated at cost or valuation by CCLA Investment Management Limited and reviewed by the Board.

Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years.

2. Net losses on investments

30.6.2007	<i>30.6.2006</i>
£'000	<i>£'000</i>

The net losses on investments during the period comprise:

Non-derivative securities	(8,905)	<i>(7,156)</i>
Net losses on investments	<u>(8,905)</u>	<i><u>(7,156)</u></i>

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

3. Income	30.6.2007	30.6.2006
	£'000	£'000
Interest on debt securities	4,044	4,808
Interest on COIF Charities Deposit Fund	58	62
Bank interest	25	7
	<u>4,127</u>	<u>4,877</u>
4. Expenses	30.6.2007	30.6.2006
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	212	214
Manager's periodic charge rebate – see Note 1(c)*	(4)	(4)
	<u>208</u>	<u>210</u>
Payable to the Corporate Trustee, associates of the Corporate Trustee and agents of either of them:		
Corporate Trustee fee	9	10
Safe custody fees and transaction charges	9	11
	<u>18</u>	<u>21</u>
Other expenses:		
Insurance	2	2
Audit fee	3	3
	<u>5</u>	<u>5</u>
Total expenses	<u>231</u>	<u>236</u>

* This amount represents the rebate of management fees credited to the Fund's income for its deposits in the COIF Charities Deposit Fund where the management fees are charged to income. The above expenses include VAT where applicable.

5. Taxation

The Fund is exempt from UK income tax 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 income credited gross to unitholders on the basis that all recoverable UK taxation has been reclaimed.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

6. Finance Costs

Distributions

Distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	30.6.2007	30.6.2006
	£'000	£'000
31 March – Interim distribution	2,428	2,295
30 June – Interim distribution	2,472	2,258
	4,900	4,553
Add: Income deducted on cancellation of units	67	52
Deduct: Income received on creation of units	(172)	(38)
Net distribution for the period	4,795	4,567
Net income for the period	3,896	4,641
Amortisation under Effective Yield (FRS 26)	1,007	-
Transfer to income reserve – see Note 10	(108)	(74)
Net distribution for the period	4,795	4,567

Details of the distribution per unit are set out in the distribution table on page 33.

7. Debtors

	30.6.2007	31.12.2006
	£'000	£'000
Accrued income	2,790	2,706
Sales awaiting settlement	3,699	-
	6,489	2,706

8. Cash and bank balances

	30.6.2007	31.12.2006
	£'000	£'000
Cash in COIF Charities Deposit Fund	1,558	2,579
Cash at bank	694	620
	2,252	3,199

9. Creditors

	30.6.2007	31.12.2006
	£'000	£'000
Purchases awaiting settlement	3,757	-
Accrued expenses	460	26
	4,217	26

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

10. Income reserve

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

	30.6.2007	30.6.2006
	£'000	£'000
Income reserve at start of the half-year period	1,035	881
Transfer to income reserve	108	74
Income reserve at end of the half-year period	<u>1,143</u>	<u>955</u>

11. Financial instruments

Fair value

Securities held by the Fund are valued at bid-market values (see Note 1(e)). Bid-market value is considered to be a fair representation of the amount repayable to unitholders should they wish to sell their units. Other financial assets and liabilities of the Fund are included in the balance sheet at fair value.

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

Market price risk

The Fund is actively-managed and invests in Sterling fixed interest securities. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence, and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the unit price from time to time, although there will generally be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

Currency risk

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

Credit risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager. The corporate bond holdings in the Fund are also exposed to the risk of issuer default.

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of Sterling fixed interest securities and Sterling cash deposits. These assets are generally liquid and enable the Fund to meet the payment of any redemption of units that unitholders may wish to make.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

Interest rate risk

The Fund invests in fixed interest securities. The income may be affected by changes in interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2007 was as set out below:

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	2,252	162,886	6,489	171,627

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-	-	6,204	6,204

31 December 2006

<i>Currency</i>	<i>Floating rate financial assets* £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	3,199	160,015	2,706	165,920

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	-		2,030	2,030

* 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.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

The fixed rate element of the portfolio is further analysed in the following table.

<i>Currency</i>	<i>Fixed rate financial assets £'000</i>	<i>Weighted average interest rate %</i>	<i>Weighted average period for which rate is fixed Years</i>
Sterling	161,947	5.56	12.8
Sterling - undated	939	6.29	-

31 December 2006

<i>Currency</i>	<i>Fixed rate financial assets £'000</i>	<i>Weighted average interest rate %</i>	<i>Weighted average period for which rate is fixed Years</i>
Sterling	158,959	4.84	13.7
Sterling - undated	1,056	5.52	-

12. Board remuneration

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

13. Related party transactions

The Manager's periodic charge is paid to CCLA Investment Management Limited and the Corporate Trustee fee is payable to HSBC Bank plc, both related parties to the Fund. The amounts paid in respect of the Manager's periodic charge and the Corporate Trustee fee, safe custody fee and transaction charges are disclosed in Note 4. A rebate of management fees is credited to the Fund's income for its deposits in the COIF Charities Deposit Fund where the management fees are charged to income. At June 2007, the balances due to CCLA Investment Management Limited and HSBC Bank plc were as set out below:

	30.6.2007	31.12.2006
	£'000	£'000
CCLA Investment Management Limited	-	-
HSBC Bank plc Corporate Trustee fee	5	6
HSBC Bank plc safe custody fees and transaction charges	2	2

There were no other transactions entered into with CCLA Investment Management Limited or HSBC Bank plc during the period.

COIF Charities Fixed Interest Fund

Notes to the Accounts

(unaudited)

14. Portfolio transaction costs

	30.6.2007 £'000	30.6.2006 £'000
Analysis of total purchase costs:		
Purchases in period before transaction costs	<u>24,511</u>	<u>87,132</u>
Analysis of total sale costs:		
Gross sales in period before transaction costs	11,725	87,764
Commissions	<u>1</u>	<u>-</u>
Total sales net of transaction costs	<u>11,726</u>	<u>87,764</u>

COIF Charities Investment Fund

COIF Charities Fixed Interest Fund

Statement of Board, Corporate Trustee and Manager Responsibilities

Responsibilities of the Board

The Board is required by the Schemes of the Charity Commissioners made under the Charities Act 1993, dated 29 November 2000, for each of the Funds to:

- prepare an annual report and to inform the Charity Commissioners if it is not satisfied with the Corporate Trustee's or the Manager's compliance with the Schemes or the Scheme Particulars;
- meet regularly to receive reports and monitor the progress of the Funds;
- obtain Charity Commission orders for the discharge and appointment of the Corporate Trustee and Manager of the Funds;
- appoint the Auditors of the Funds and to agree their terms of engagement;
- determine the rate of remuneration of the Corporate Trustee and Manager in accordance with the Schemes.

Responsibilities of the Corporate Trustee

The Corporate Trustee is required by the Schemes to:

- ensure that the Funds are managed by the Manager in accordance with the Schemes and Scheme Particulars and that proper accounting records have been maintained;
- safeguard the assets of the Funds and hence take reasonable steps for the prevention and detection of fraud and other irregularities;
- appoint and supervise the Registrar of the Funds;
- be responsible for any winding-up of the Funds in accordance with the Schemes.

Responsibilities of the Manager

The Manager of the respective Funds is required by the Schemes to prepare accounts for each of the Funds 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 Funds and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in December 2005;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enables the Manager to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the basis that the Funds will continue in operation unless it is inappropriate to presume this.

The Manager is required to manage and administer the Funds in accordance with the Schemes, maintain accounting records and take reasonable steps for the prevention and detection of fraud and other irregularities.

The Corporate Trustee has appointed the Manager to act as Registrar to the Funds.



CCLA INVESTMENT MANAGEMENT LIMITED

COIF Charities Investment Fund

(Charity Registration No. 218873)

COIF Charities Fixed Interest Fund

(Charity Registration No. 803610)

Board

B.H.B. Wrey, Chairman of the Board, *Former Chairman, Henderson Global Investors*

P.E.B. Cawdron, FCA, *Company Director*

R. Fitzalan Howard, *Chief Executive, FF&P Asset Management Limited*

D. Henderson, FCA, *Company Director*

A. Huntley, FRICS

Mrs F. Quint, *Barrister*

N.S. Wilson, *Solicitor, a former Partner, Slaughter and May*

Secretary

Mrs J. Fox

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

Authorised and regulated by the Financial Services Authority

80 Cheapside, London EC2V 6DZ

T: 020 7489 6000

Client Service: Freephone: 0808 220 2252

T: 020 7489 6010

F: 020 7489 6126

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Directors responsible for the COIF Charities Investment Fund and COIF Charities Fixed Interest Fund

Fund Managers

Client Relationship Manager

Company Secretary

Head of Compliance

Socially Responsible Investment (SRI) Unit

Corporate Trustee

Custodian

Bankers

Solicitors

Independent Auditors

M. Quicke (Chief Executive)

J. Bevan (Chief Investment Officer)

A. Robinson (Director of Market Development)

C. Peters (Investment)

D. Butler (Chief Operating Officer to 30 April 2007)

S. Curran (Chief Operating Officer from 1 May 2007)

N. Debenham

S. Freeman

T. Sambrook

M. Goddings

Mrs J. Fox

A. Kemp

Mrs A. Young

HSBC Bank plc

8 Canada Square, London E14 5HQ

HSBC Bank plc

8 Canada Square, London E14 5HQ

The Royal Bank of Scotland plc

62/63 Threadneedle Street

London EC2R 8LA

Bates Wells & Braithwaite LLP

2-6 Cannon Street

London EC4M 6YH

Ernst & Young LLP

1 More London Place

London SE1 2AF

COIF Charities Deposit Fund

Report of the Trustees

for the six months ended 30 June 2007

We have pleasure in presenting our half-year report on COIF Charities Deposit Fund.

Responsibilities of the Trustees

We have met quarterly during the period to carry out our responsibility for the approval of strategy, for setting interest rate policy, to monitor investment diversification, suitability and risk, and to review the performance of the Fund. In addition we have monitored the administration and expenses of the Fund and are also responsible for the appointment of the Fund's Investment Manager and Administrator, and the Auditors.

Review of investment activities and policies of the Fund

During the period we met quarterly with the Investment Manager to review the investments, transactions and policies of the Fund. The Investment Manager's report on the Fund, which appears later, provides further details. In addition to receiving regular reports on the management of the Fund, the Trustees also met as an audit committee to approve the annual Accounts.

Delegation of functions

Following our regular meetings and consideration of the reports and papers we have received, we are satisfied that CCLA Investment Management Limited, to whom we have delegated the administration and management of the Fund, has complied in all material respects with the terms of the Scheme and with the relevant management agreement.

Controls and Risk Management

The Trustees receive and consider regular reports from the Manager and ad hoc reports and information are supplied to the Trustees 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.

The Trustees receive an annual report on the controls of the Manager (AAF 01/06). The last report covered the year ended 31 December 2006 and included a satisfactory report by the Manager's reporting accountants, PricewaterhouseCoopers LLP.

During the period, the Trustees, assisted by the Manager, reviewed the Fund's system of internal control. At each quarterly meeting the Trustees receive from the Manager, and review, a formal risk management report setting out the main risks facing the Fund, the controls in place to mitigate the risks and the assessment of each risk in terms of both gross exposure and residual exposure after application of mitigating controls.



B.H.B. Wrey
Chairman of the Trustees
23 July 2007

COIF Charities Deposit Fund Report of the Investment Manager for the six months ended 30 June 2007

- **A money fund for short-term cash**
- **Competitive rates of interest (even on small balances)**
- **Rated Aaa by Moody's Investors Service**
- **Withdrawal on demand with no loss of interest**

Performance

The Deposit Fund rate remained highly competitive over the half-year averaging 5.20%, equivalent to an Annual Equivalent Rate (A.E.R.) of 5.30%. The Deposit Fund rate at 30 June 2007 was 5.42% (5.53% A.E.R.). The Fund delivered a total return before management expenses of 2.72%, compared to a return of 2.70% from the benchmark, the London Inter-Bank 7-day Bid rate (7-day LIBID).

Client deposits (excluding those of the other COIF Funds) increased very significantly by £64 million to £1,172 million. This was the second largest half-year intake in the Fund's 22-year history.

Market Review

In May the Bank of England's Monetary Policy Committee (MPC) increased interest rates by 0.25%. This was the fourth increase since last August and pushed rates to a six-year high of 5.5%. In the minutes of the May meeting, the MPC cited the leap in annual UK consumer price inflation which in March rose above 3%, the level at which the Bank is required to write an explanatory letter to the Chancellor. The MPC also warned that firms appear to have limited spare capacity and are becoming more confident in their ability to raise prices. This prospect led some committee members to contemplate raising rates by 0.50%. Most committee members however preferred to move more cautiously, arguing that an unexpected sharp rise in rates could create downside risks to economic growth, especially when inflation is expected to fall as lower gas and electricity prices filter through. However, even with lower energy prices forecast the latest Bank of England Inflation Report indicated that more rate

increases could be necessary to reduce inflation to the Bank's 2% target.

Strategy

We maintained the Fund's focus on delivering strong returns for depositors with no compromise on capital security. The Fund is rated Aaa (Triple A) by Moody's Investors Service. This is the highest money market fund rating that can be awarded and reflects the high quality of the Fund's Approved Lending List, the employment of an appropriate investment policy, a low overall level of risk through diversification, and the quality of management and internal controls.

Outlook

It became apparent that another interest rate increase was likely after the minutes of the June meeting of the MPC revealed that four of the nine members, including the Governor, had voted in favour of back-to-back rate increases. The market reaction to a further 0.25% rise in July, the fifth in twelve months, was therefore subdued. The accompanying statement from the MPC was very similar to the one issued after the May increase, citing firm output growth, rapid growth in credit and broad money, a robust global economy and limited spare capacity domestically. With inflation risks over the medium term still projected to the upside, further policy tightening is likely. The official bank rate now stands at 5.75%, a six-year high. We believe that a further 0.25% rise to 6% would be sufficient to contain monetary growth and enable the rate of inflation to fall to its 2% target level; but it is clearly too early to consider any timing for interest rate cuts.



Stuart Freeman
Fund Manager
CCLA Investment Management Limited

23 July 2007

COIF Charities Deposit Fund
Average Rates of Interest Paid
for the six months ended 30 June 2007 (unaudited)

<i>Month</i>	<i>Actual % p.a.</i>	<i>Gross A.E.R.* %</i>
January 2007	4.98	5.07
February	5.10	5.20
March	5.16	5.26
April	5.24	5.34
May	5.32	5.42
June	5.38	5.49

<i>Years to 31 December</i>	<i>Actual % p.a.</i>	<i>Gross A.E.R.* %</i>
2002	3.68	3.73
2003	3.41	3.45
2004	4.18	4.24
2005	4.46	4.54
2006	4.47	4.55
To 30 June 2007	5.20	5.30

* A.E.R. = Annual Equivalent Rate

COIF Charities Deposit Fund Statement of Total Return

for the six months ended 30 June 2007 (unaudited)

	Notes	30.6.2007 £'000	30.6.2006 £'000
Gross income		31,799	24,658
Expenses	2	<u>(1,398)</u>	<u>(1,298)</u>
Net income and total return		30,401	23,360
Finance Costs: Distributions		<u>(30,246)</u>	<u>(23,304)</u>
Net increase in income reserve		<u>155</u>	<u>56</u>

The notes on pages 53 to 56 form part of these accounts.

Interest Paid Table

for the six months ended 30 June 2007 (unaudited)

Period ended	Date of Payment	Total £'000	Average Rates of Interest Paid	
			2007 %	2006 %
31 March 2007	6 April 2007	14,578	5.08	4.30
30 June 2007	6 July 2007	<u>15,668</u>	<u>5.31</u>	<u>4.33</u>
		<u>30,246</u>	<u>5.20</u>	<u>4.32</u>

COIF Charities Deposit Fund

Balance Sheet

at 30 June 2007 (unaudited)

	Notes	30.6.2007 £'000	31.12.2006 £'000
Cash at bank		322	2,394
Debtors	4	7,790	6,132
Deposits		1,221,276	1,150,058
TOTAL ASSETS		1,229,388	1,158,584
Current deposits	5	1,209,863	1,140,798
Creditors	6	15,291	13,707
Income reserve	7	4,234	4,079
TOTAL LIABILITIES		1,229,388	1,158,584

The notes on pages 53 to 56 form part of these accounts.

Summary of Deposits Placed by Maturity

at 30 June 2007 (unaudited)

Repayable	30.6.2007		31.12.2006	
	£'000	%	£'000	%
On Call	56,276	4.61	56,058	4.87
Within 5 business days	277,000	22.68	239,000	20.78
Within 30 days	286,000	23.42	421,000	36.61
Between 31 and 60 days	326,000	26.69	244,000	21.22
Between 61 and 91 days	245,000	20.06	180,000	15.65
Between 92 and 182 days	-	-	10,000	0.87
Between 183 days and one year	31,000	2.54	-	-
Total deposits	1,221,276	100.00	1,150,058	100.00

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

1. Accounting policies

- (a) Basis of accounting
The accounts have been prepared under the historical cost basis and in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued by the Charity Commission in March 2005.
- (b) Income recognition
Interest on bank and building society deposits is accrued on a daily basis.
- (c) Management expenses
The Manager's periodic charge paid to CCLA Investment Management Limited is charged to the income of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.20% 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 staff and investment services and other expenses incurred by the Manager. Audit, legal, insurance and bank charges are charged separately to the income of the Fund before distribution.
- (d) Distributions
Interest is paid quarterly. The Fund utilises an income reserve to facilitate the payment of interest to depositors (see Note 7).
- (e) Basis of valuation
The Money Market Deposits have been valued at cost.

2. Expenses

	30.6.2007	30.6.2006
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	<u>1,372</u>	<u>1,273</u>
	<u>1,372</u>	<u>1,273</u>
Payable to the Trustees, associates of the Trustees and agents of either of them:	-	-
Other expenses:		
Insurance	13	12
Audit fee	4	4
Bank charges	6	5
Consultancy fee	<u>3</u>	<u>4</u>
	<u>26</u>	<u>25</u>
Total expenses	<u><u>1,398</u></u>	<u><u>1,298</u></u>

The above expenses include VAT where applicable.

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

3. Taxation

The Fund is exempt from UK income tax 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 income credited gross to depositors.

	30.6.2007	31.12.2006
	£'000	£'000
4. Debtors		
Interest receivable	<u>7,790</u>	<u>6,132</u>
5. Current deposits		
Charities and Trusts	1,172,190	1,107,947
COIF Charities Investment Fund	34,590	25,111
COIF Charities Fixed Interest Fund	1,557	2,579
COIF Charities Property Fund	1,526	5,161
	<u>1,209,863</u>	<u>1,140,798</u>

Deposits are repayable to clients on demand.

	30.6.2007	31.12.2006
	£'000	£'000
6. Creditors		
Interest payable	15,270	13,254
Accrued expenses	21	12
Amounts payable on withdrawals from the Fund	-	441
	<u>15,291</u>	<u>13,707</u>

7. Income reserve

The Fund utilises a reserve, which is accumulated out of income and held by the COIF Charity Fund's Trustees on trust for depositors for the time being. The principal purpose of the reserve is to facilitate the payment of interest to depositors at each quarter-end, as a proportion of the income earned by the Fund over the quarter will not be received until the maturity date of individual deposits. It is also held as a provision against potential default of counterparties and is available to augment the Fund's deposit rate.

	30.6.2007	30.6.2006
	£'000	£'000
Income reserve at start of the half-year period	4,079	3,942
Transfer to income reserve	155	56
Income reserve at end of the half-year period	<u>4,234</u>	<u>3,998</u>

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

8. Financial instruments

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

Interest rate risk

The Fund invests in fixed rate and floating rate deposits with an approved list of institutions maintained by the Manager. Changes in the interest rates may result in income either increasing or decreasing.

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2007 was as set out below:

<i>Currency</i>	<i>Floating rate financial assets £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	56,598	1,165,000	7,790	1,229,388

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	1,214,097	-	15,291	1,229,388

31 December 2006

<i>Currency</i>	<i>Floating rate financial assets £'000</i>	<i>Fixed rate financial assets £'000</i>	<i>Financial assets not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	58,452	1,094,000	6,132	1,158,584

<i>Currency</i>	<i>Floating rate financial liabilities £'000</i>	<i>Fixed rate financial liabilities £'000</i>	<i>Financial liabilities not carrying interest £'000</i>	<i>Total £'000</i>
Sterling	1,144,877	-	13,707	1,158,584

Note: The floating rate financial assets and liabilities earn and pay interest at rates based on either LIBOR or base rate.

COIF Charities Deposit Fund

Notes to the Accounts

(unaudited)

9. Trustees' remuneration

The Trustees receive no remuneration from the COIF Charity Funds. Mr R. Fitzalan Howard is a Director of CCLA Investment Management Limited and receives remuneration from CCLA Investment Management Limited, which is disclosed in that Company's accounts.

10. Related party transactions

The Manager's periodic charge is paid to CCLA Investment Management Limited, a related party to the Fund. The amounts paid in respect of the Manager's periodic charge are disclosed in Note 2. There were no outstanding balances due to CCLA Investment Management Limited at 30 June 2007 (31.12.2006, £nil). There were no other transactions entered into with CCLA Investment Management Limited during the period.

COIF Charities Deposit Fund

Statement of Trustees and Manager Responsibilities

The Trustees of the COIF Charities Deposit Fund are required by the Scheme of the Charity Commissioners made under the Charities Act 1993, dated 27 June 1995, to prepare accounts in accordance with any rules, regulations or standards of practice issued by the Secretary of State or the Charity Commissioners affecting the keeping of accounts of common deposit funds.

The Trustees are required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable them to demonstrate that the accounts, as prepared, comply with the above requirements;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustees have delegated to the Manager the day-to-day management, accounting and administration of the Fund as permitted by the Scheme.

The Manager is required to manage the Fund in accordance with the Scheme and take reasonable steps for the prevention and detection of fraud and other irregularities.



CCLA INVESTMENT MANAGEMENT LIMITED

COIF Charities Deposit Fund

(Charity Registration No. 1046249)

Trustees

B.H.B. Wrey, Chairman of the Trustees, *Former Chairman, Henderson Global Investors*

P.E.B. Cawdron, FCA, *Company Director*

R. Fitzalan Howard, *Chief Executive, FF&P Asset Management Limited*

D. Henderson, FCA, *Company Director*

A. Huntley, FRICS

Mrs F. Quint, *Barrister*

N.S. Wilson, *Solicitor, a former Partner, Slaughter and May*

Secretary

Mrs J. Fox

Investment Manager, Administrator and Registrar

CCLA Investment Management Limited

Authorised and regulated by the Financial Services Authority

80 Cheapside, London EC2V 6DZ

T: 020 7489 6000

Client Service: Freephone: 0808 220 2252

T: 020 7489 6010

F: 020 7489 6126

www.ccla.co.uk

Directors responsible for the COIF Charities Deposit Fund

M. Quicke (Chief Executive)

J. Bevan (Chief Investment Officer)

A. Robinson (Director of Market Development)

C. Peters (Investment)

D. Butler (Chief Operating Officer to 30 April 2007)

S. Curran (Chief Operating Officer from 1 May 2007)

S. Freeman

M. Goddings

Mrs J. Fox

A. Kemp

Fund Manager

Client Relationship Manager

Company Secretary

Head of Compliance

Bankers

The Royal Bank of Scotland plc
62/63 Threadneedle Street
London EC2R 8LA

Solicitors

Bates Wells & Braithwaite LLP
2-6 Cannon Street
London EC4M 6YH

Independent Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF



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**

Mainly invested in equities in the United Kingdom and overseas. Intended for a charity's long-term capital. Income and Accumulation Units available. Weekly dealing dates.

- **COIF CHARITIES FIXED INTEREST FUND**

Invested in fixed interest stocks to provide a good income yield and supplement where necessary the lower income yield on COIF Charities Investment Fund. Intended for long-term investment but offers no protection against inflation. Income and Accumulation Units available. Weekly dealing dates.

- **COIF CHARITIES DEPOSIT FUND**

Designed for a charity's cash balances. Competitive rate of interest even on small sums. Daily deposit and withdrawal facilities.

- **COIF CHARITIES PROPERTY FUND**

Invested in commercial and industrial property. Intended for part of a charity's long-term capital to provide a good initial income yield and the prospect of some income and capital growth. Income and Accumulation Units available. Monthly dealing dates.

ADDITIONAL INFORMATION

Each Unitholder (Depositor for the COIF Charities Deposit Fund) will receive annual Reports and Accounts within three months of the end of the relevant period and half-yearly Reports and Accounts within two months of the end of the relevant period. Under the FSA Conduct of Business Rules, a Unitholder in the COIF Charities Property, Investment and Fixed Interest Funds is entitled to request an unaudited periodic report to be provided within 25 days after the end of the period to which it relates.

RISK WARNING

The value of COIF Charities Property, Investment and Fixed Interest Funds' units and the income 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. The Property Fund's unit value will reflect fluctuations in property and share values. The Investment Fund's unit value will reflect fluctuations in share prices and currency exchange rates. The Fixed Interest Fund's income yield is an indication of the expected level of income. The corresponding gross redemption yield is an estimate of total return over the long term. The Fixed Interest Fund's income and gross redemption yields are not guaranteed and will change over time, due to changes in interest rates and the average maturity date of the securities held by the Fund. When the Fixed Interest Fund's income yield is higher than the gross redemption yield, income is being paid at the expense of capital.

The Property Fund's units are intended only for long-term investment and not suitable for money liable to be needed in the near future. They are realisable only on each monthly dealing date and a period of notice not exceeding six months may be imposed for redemption of the units. The Investment Fund and Fixed Interest Fund's units are intended only for long-term investment and are not suitable for money liable to be needed in the near future. They are realisable only on each weekly dealing date.

The Trustees of COIF Charities Deposit Fund cannot give guarantees regarding repayment of deposits in the Deposit Fund but undertake to exercise reasonable care in placing of deposits. The daily deposit rate will fluctuate. Past performance is no guarantee of future returns.

CCLA INVESTMENT MANAGEMENT LIMITED

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