



for Charities

COIF Charities Property Fund

**Report and Accounts
Half Year ended 30 June 2011
(unaudited)**

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Trustee and Manager

(inside back cover)

Description of The COIF Charity Funds

(outside back cover)

Disability Discrimination Act 1995

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

Report of the Board

for the half year ended 30 June 2011

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

Structure and management of the Fund

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

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

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

The Board is responsible for setting and subsequently advising on the investment policy of the Fund, monitoring performance, obtaining Charity Commission orders for the appointment and discharge of the Manager and Corporate Trustee (the Trustee), appointing the Auditor to

the Fund and agreeing the fees charged by the Trustee, the Manager and the Auditor.

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

Objective and benchmark

The Fund aims to provide a good total return and a high income by investing in an actively managed, diversified portfolio of commercial properties.

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

Investment policy

Investments

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

The Fund may also invest in the shares and loan stock of listed property companies, property funds, specialist property unit trusts, limited partnerships and joint ventures investing in

Report of the Board

for the half year ended 30 June 2011

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

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

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

Review of investment activities and policies of the Fund

The Board met quarterly during the period to carry out its responsibility for the approval of investment strategy, for setting distribution policy, to monitor investment diversification, suitability and risk and to review the performance of the Fund. In addition, the Board monitored the administration, expenses and pricing of the Fund.

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

Borrowing powers

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

Controls and risk management

CCLA has established a risk management framework, which provides a methodology for the assessment, mitigation and reporting of risk, ensuring a high quality of risk management and control is maintained for all funds under the Manager's control. The effectiveness of risks and controls is assessed by the directors and senior management of the Manager, with the help of the Operational Risk Manager, on a continuing basis. On an annual basis, the Board receives and considers an operational risk report from the Operational Risk Manager.

During the period, the Board reviewed the annual operational risk report, which records any residual risks outside the risk appetite set by the Manager, and the actions being taken to mitigate those risks.

D Henderson
Chairman of the Board
28 July 2011

Report of the Property Manager for the half year ended 30 June 2011

Performance

Over the half year the total return of the COIF Charities Property Fund, before expenses, was 4.3%. The performance of the Fund as at 30 June 2011 is noted in the table below along with results recorded by the benchmark, the IPD Quarterly Universe.

Over the past six months the price of an Income Unit has fallen slightly from 103.36 to 103.27p as at 30 June 2011. The price 12 months ago was 103.42p. The value of an Accumulation Unit has increased this year from 166.84p to 172.0p. The price 12 months ago was 160.45p. The movement in the unit prices reflects the modest returns currently being generated in the sector, with gains concentrated in just one or two sectors. Given this environment it has proved challenging to match the returns of the benchmark so far this year. With capital only contributing marginally, performance is being driven overwhelmingly by income flows.

Market review

In the second half of 2010 market conditions cooled as concerns over the economic outlook increased and transactional activity fell away.

These conditions persisted through the reporting period and as a result property valuers reverted to the cautious approach that was a feature of the downturn during 2007 and 2008.

This has meant that the last six months have witnessed very little change in portfolio valuations overall, with the IPD Monthly Index recording capital growth for all property at just 1.0%.

The apparent stability in capital values disguises a sharp divergence in performances between the various sectors and locations. Investments with stronger income streams, defined by lease length and tenant covenant strength, have been most robust, Central London offices, with support from overseas investors, have risen most. The shopping centre sub-sector has also experienced an improvement in performance following a particularly weak 2009. In contrast, the market for stock located outside of London, and for investments with less secure income, has softened, with prices weakening generally and liquidity more challenging. This part of the market place has also seen a number of forced or distressed sellers of lower grade investments

COIF Charities Property Fund

Total return after management expenses to 30 June 2011	Six Months %	1Year %	5 Years % p.a	10 Years % p.a
COIF Charities Property Fund	+4.26	+8.86	+2.04	+1.10
IPD Quarterly Universe	+4.45	+9.93	+0.78	+0.01

Source: The Manager & IPD

Report of the Property Manager for the half year ended 30 June 2011

which, in the absence of trading volumes, has damaged valuations for similar portfolios. Despite this, overall markets have not suffered from over-supply; indeed, competition has remained strong for good quality stock and this is helping to support pricing in many areas of the market.

Although occupier markets have continued to stabilise, tenant demand and letting prospects remain fragile. In particular, the retail sector has suffered a number of high-profile casualties in recent weeks and the high street sector is coming under increasing pressure from reduced consumer spending and competition from on-line sales.

The all property void rate was slightly reduced at the end of the period although remained at a high level and new lettings are still a challenge. Rental trends too have improved slightly over the past six months but are actually fluctuating slightly above or below zero change from month to month. The impression of greater stability is therefore largely supported by Central London office markets, however elsewhere many trends are still negative.

Activity

After considerable investment activity at the end of 2010, the Fund has had a relatively quiet start to the year. In June a car showroom property in Glasgow was purchased for £3.012m producing a yield to the Fund of 8.05%. With regard to management activity the first floor office suite at the Anchorage Gateway offices in Salford Manchester was let after a prolonged void period, as was Unit 3 at the Chorley Retail Park. Less encouragingly, a number of tenant break notices were served. The current void rate is 4%, still well below that recorded by IPD for the market. A small number of rent reviews have

been completed and rental increases have been secured at the 3rd floor office suite at 144 West George Street and also at Unit 5 Chorley Retail Park. The shop lease in respect of 97-101 Pinstone Street was renewed at a slightly lower rent, reflecting the difficulties being encountered in the High Street.

Strategy

The Fund holds a well diversified portfolio of property assets in support of an investment policy that places emphasis on income yield and rising values from active management of the assets. The Fund holds good weightings to the retail and office sectors and is almost fully invested however the opportunity remains to add attractively priced, good quality assets to the portfolio during the year either through the investment of new monies or by recourse to the borrowing facility.

In the immediate period ahead we expect returns to be dominated by income flow and our approach therefore will be to capitalise on the current yield margin between prime and secondary investments. This, together with a careful control of the cash weighting will be important influences on performance. In a difficult environment for rental growth and with reversions uncertain, our focus will remain on maintaining income through lease renegotiation, asset management and the reduction of voids.

Outlook

The overall environment remains challenging. Market activity remains thin and the lack of current pricing information threatens increased volatility in values and rents. Whilst this will present illiquidity and pricing issues for some assets, the weakness has been limited to secondary stock with less secure income streams. In contrast, demand remains positive

Report of the Property Manager for the half year ended 30 June 2011

for good quality assets with longer leases and secure covenants. In particular Central London is popular, with competition for investment opportunities increased by overseas investors. However market conditions also mean that such stock has been in short supply, contributing to the dearth of market activity.

Whilst 2011 is proving to be a more difficult year for property assets our view is that attractive yield available from property investment means that the downside risks for valuations should not be overstated. Good quality investment stock remains in short supply and overall there is

some modest capital growth boosting the attractive income return. Furthermore, at some point the differential between prime and secondary investments will make the latter segment more attractive to investors able to accept a higher level of risk. Over the medium term however we expect returns to be dominated by income flows with the risk of some erosion of capital values.

R Halliday
Fund Manager
CCLA Investment Management Limited
28 July 2011

Risk warning

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

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

The performance of the Fund could adversely be affected by a downturn in the property market in terms of capital value or a weakening

of rental yields. The revenue received by the Fund is dependent to a large extent upon the occupancy levels of any property owned by the Fund and the rents paid by these tenants. Rental revenues and property values are affected by changes in general economic climate and local conditions.

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

Report of the Valuers

Dear Sirs,

The COIF Charities Property Fund valuation as at 30 June 2011

In accordance with your instructions, we have valued all the property investments owned by The COIF Charities Property Fund as at 30 June 2011. The valuation has been prepared on the basis of Market Value in accordance with the current edition of the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors (RICS). We understand that our valuation is required for unit pricing and accounts purposes.

We are of the opinion that the aggregate Market Values of all the properties held by the Fund as at 30 June 2011 was:

£137,435,000 (One hundred and thirty seven million, four hundred and thirty five thousand pounds)

Details of the basis of our valuation and the individual properties are set out in our Report and Valuation addressed to you and dated 30 June 2011.

BNP Paribas Real Estate
5 Aldermanbury Square
London EC2V 7BP

30 June 2011

Net asset value, unit price range, net distribution, unit price and expense ratio

Net asset value

At 31 December	Net asset Value £'000	Income units		Accumulation units*	
		Net asset value pence per unit	Number of units in issue	Net asset value pence per unit	Number of units in issue
2008	97,886	99.15	96,302,935	137.12	1,736,334
2009	114,842	97.26	116,066,279	145.88	1,344,828
2010	136,549	103.36	127,739,283	163.92	1,468,985
At 30 June 2011	139,784	103.27	132,612,512	172.00	1,563,436

Unit price range

Year to 31 December	Income units		Accumulation units*	
	Highest offer pence per unit	Lowest bid pence per unit	Highest offer pence per unit	Lowest bid pence per unit
2006	153.85	130.32	189.79	154.98
2007	158.35	135.15	201.42	175.75
2008	136.50	97.61	177.50	134.90
2009	101.08	83.93	148.43	120.70
2010	107.56	97.30	169.76	145.99
To 30 June 2011	106.41	101.67	175.01	164.25

Net distribution

Year to 31 December	Income units		Accumulation units*	
	Annual distribution pence per unit	Yield on units held for the period %*	Annual distribution pence per unit	Yield on units held for the period %*
2006	6.55	4.91	7.57	4.77
2007	6.70	4.48	7.33	3.86
2008	7.20	5.15	9.98	5.49
2009	7.42	7.36	10.18	7.30
2010	7.57	7.53	11.43	7.58
To 30 June 2011	3.50	3.42	6.06	3.68

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

Net asset value, unit price range, net distribution, unit price and expense ratio

Unit price at 30 June 2011

	<i>Bid price pence per unit</i>	<i>Offer price pence per unit</i>
Income units	101.67	105.07
Accumulation unitss	169.33	175.01

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

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

Expense ratios

	<i>30.6.2011</i>	<i>30.6.2010</i>
Total expense ratio (annualised)	0.77%	0.77%
Property expense ratio (annualised)	0.32%	0.36%

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

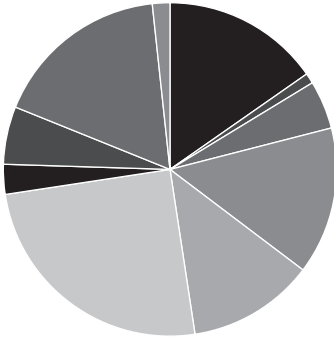
Portfolio analysis

at 30 June 2011 (unaudited)

Rent review frequency

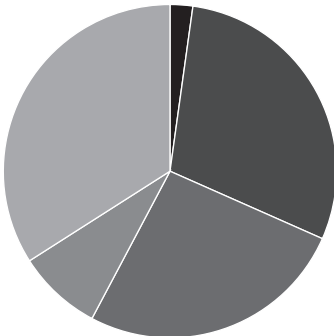
Review period	30.6.2011		31.12.2010	
	£'000	%	£'000	%
5 years	10,344,524	94.96	10,518,540	95.66
Other	549,393	5.04	477,777	4.34
	<u>10,893,917</u>	<u>100.00</u>	<u>10,996,317</u>	<u>100.00</u>

Geographical distribution



- South West 15.3%
- Eastern 1.0%
- West Midlands 4.7%
- East Midlands 14.3%
- North West 12.3%
- South East 25.0%
- Rest of London 2.9%
- City 5.6%
- Scotland 17.2%
- North East 1.7%

Asset by type



- Cash 2.2%
- Retail Warehouses 29.4%
- Industrial 26.1%
- Shops 8.2%
- Offices 34.0%

Portfolio statement at 30 June 2011 (unaudited)

	£'000	% of Fund
Properties		
Valued between £0 and £5m		
29 properties	81,905	58.59
Valued between £5m and £10m		
7 properties	45,480	32.54
Valued between £10m and £15m		
1 property	10,050	7.19
	<u>137,435</u>	<u>98.32</u>
Net other assets	2,349	1.68
Total value of the Fund	<u><u>139,784</u></u>	<u><u>100.00</u></u>

Ownership of the Fund at 30 June 2011 (unaudited)

Ownership band at 30 June 2011	Number of investors	Number of units in issue '000	% of units in issue
Less than 1%	343	42,711	31.83
1% or greater but less than 2%	4	6,697	5.00
2% or greater but less than 4%	-	-	-
4% or greater but less than 8%	2	13,675	10.19
Greater than 8% *	1	71,093	52.98
		<u>134,176</u>	<u>100.00</u>

* COIF Charities Investment Fund has a holding of 71,092,750 units.

Property portfolio – standard retail

at 30 June 2011 (unaudited)

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
76/77 East Street CHICHESTER	C & J Clark International Ltd	15 yrs 22.3.00	5 yrs	-	210,000	0-5
	West Sussex County Council	10yrs 2.1.03	5yrs	-	56,000	
	West Sussex County Council	10yrs 12.8.03	5yrs	-	5,500	
37 East Street DERBY	The Outdoor Group Ltd	10yrs 4.12.08	5yrs	2013	115,000	0-5
85 - 89 High Street DUNFERMLINE	Mackays Stores Ltd	25yrs	5yrs	-	185,000	0-5
95 - 107 Pinstone Street SHEFFIELD	Greggs plc	10yrs 24.6.02	5yrs	2007	26,000	0-5
	J D Sports Fashion plc	5yrs 27.4.11	-	-	50,000	
	Matthew Rowbotham	20yrs 29.9.97	5yrs	2012	30,000	
	Hair Cuttery Ltd	10yrs 22.4.04	5yrs	2009	30,000	
	Mrs Jayne Rippon	5yrs 8.12.10	-	-	35,000	
	Cheltenham & Gloucester	15yrs 26.4.04	5yrs	2009	36,000	

Property portfolio – offices/shops at 30 June 2011 (unaudited)

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

Property portfolio – offices at 30 June 2011 (unaudited)

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

Property portfolio – offices at 30 June 2011 (unaudited)

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
	Optical Express (Westfield) Ltd	5yrs 7.8.08	-	-	69,000	
	Allsop Residential Investment Management	5yrs 15.4.08	-	-	39,410	
	Midland Valley Exploration Ltd	10yrs 11.11.05	5yrs	-	66,300	
	The City and Guilds of London	10yrs 21.2.05	5yrs	-	57,555	
	Partners & Trusts Firm of Simpson & Marwick	10yrs 9.6.09	5yrs	2014	65,909	
	JM Architects Ltd	10yrs 28.5.04	5yrs	-	56,220	
	Optical Express (Westfield) Ltd	3yrs 3.11.08	-	-	2,000	
100 West Regent Street GLASGOW	Thus Group Holdings plc	25yrs 30.3.00	5yrs	2010	56,455	0-5
	Save & Invest (Financial Planning)	10yrs 18.6.07	5yrs	2012	75,000	
	Space and People plc	10yrs 22.7.10	5yrs	2015	69,890	
	Woolgar Hunter Ltd	10yrs 6.4.06	5yrs	2011	72,617	
	SI Associates Ltd	10yrs 10.10.06	5yrs	2011	26,450	

Property portfolio – offices

at 30 June 2010 (unaudited)

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
	Woolgar Hunter Ltd	10yrs 14.12.06	5yrs	2011	20,285	
	Absolute Invoice Finance Ltd	10yrs 16.9.08	5yrs	2013	63,900	
	Woolgar Hunter Ltd	5yrs 11.9.06	-	-	2,500	
	Vodafone Ltd	15yrs 7.12.04	5yrs	2010	11,456	
4 Smith Way LEICESTER	Leicestershire County	15yrs 25.12.98	5yrs	-	308,500	0-5
3 Penman Way LEICESTER	HSBC Bank plc	10yrs 18.4.06	5yrs	2011	237,000	0-5
7 Lewis Court, LEICESTER	The Audit Commission for Local Authorities	15yrs 29.9.07	5yrs	2012	182,200	0-5
1- 3 College Hill LONDON	Religare Capital Markets (UK) Ltd	10yrs 5.3.08	5yrs	2013	123,235	0-5
	Drake Beam Morin plc	5yrs 6.5.09	-	-	96,870	
	Hedley Foundation Ltd	10yrs 25.3.08	5yrs	2013	41,426	
	Citifocus Ltd	10yrs 24.6.02	5yrs	-	78,070	
	Scott Harris UK Ltd	5yrs 6.5.10	-	-	44,550	

Property portfolio – offices at 30 June 2011 (unaudited)

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
	G4S International Logistics (UK) Ltd	5yrs 29.9.06	-	-	34,000	
	Southern Steamships (London) Ltd	5yrs 25.3.08	-	-	37,500	
	William Heard	10yrs 29.9.04	5yrs	-	32,500	
	S&H Consulting Ltd	1yr 15.6.11	-	-	2,750	
	Knightsbridge Guarding Ltd	5yrs 24.9.09	-	-	93,144	
	Macrae Roxburgh Appleby Ltd	5yrs 5.7.10	-	-	12,000	
	Street Car Ltd	3yrs 1.4.11	-	-	5,000	
Gateway House The Anchorage MANCHESTER	Barclays Bank plc	25yrs 29.9.91	5yrs	2011	68,715	0-5
	Luxfer Group Ltd	5yrs 4.1.11	5yrs	-	55,073	
	BUPA Investments Ltd	5yrs 24.6.07	-	-	80,000	
82-90 London Road ST ALBANS	West Herts Community NHS Trust	25yrs 19.7.94	5yrs	2014	132,000	0-5

Property portfolio – warehouses/industrial at 30 June 2011 (unaudited)

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

Property portfolio – warehouses/industrial at 30 June 2011 (unaudited)

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
Units 1& 2 Longfield Road TUNBRIDGE WELLS	Fox Print Services	10yrs 25.3.10	5yrs	2015	85,000	0-5
	SH Muffet Ltd	10yrs 24.3.10	5yrs	2015	89,885	
	Fox Print Services	10yrs 24.9.10	-	2015	72,775	
Javelin Park WEDNESBURY	W H Smith Trading Ltd	15yrs 20.12.04	5yrs	2014	269,000	0-5
Chorley Retail Park CHORLEY	Wickes Building Supplies Ltd	25yrs 24.10.00	5yrs	2010	330,000	0-5
	DP Realty Ltd t/a Domino's Pizza	25yrs 24.10.00	5yrs	2015	17,500	
	Aladdin's Carpets Ltd	5yrs 12.4.11	-	-	7,500	
	Blockbuster Entertainment Ltd	15yrs 24.10.00	5yrs	2010	45,500	
	BJR Foods Ltd t/a KFC	20yrs 24.10.00	5yrs	2015	63,000	
Holmer Road HEREFORD	B & M Retail Ltd	5yrs 9.10.09	-	-	160,000	0-5
	Dreams Plc	25yrs 3.7.94	5yrs	2014	119,325	
	Dunelm Soft Furnishings Ltd	25yrs 3.7.94	5yrs	2014	168,000	

Property portfolio – warehouses/industrial at 30 June 2011 (unaudited)

<i>Property</i>	<i>Tenant</i>	<i>Term/ from</i>	<i>Lease review period</i>	<i>Next review</i>	<i>Rent £</i>	<i>Market value range £m</i>
100 Regent Road MANCHESTER	Staples UK Ltd	15yrs 29.9.03	5yrs	2013	237,500	0-5
Snowden Drive MILTON KEYNES	Wickes Building Supplies Ltd	25yrs 3.10.03	5yrs	2013	638,750	5-10
St Peter's Way NORTHAMPTON	NBC Apparel t/a TK Maxx	15yrs 24.6.03	5yrs	2013	347,500	0-5
Portway Road OLDBURY	Matalan Retail Ltd	25yrs 17.11.95	5yrs	2010	242,550	0-5
230-234 Winchester Road SOUTHAMPTON	CDS (Supertoires Intl)	20yrs 28.11.03	5yrs	2013	431,037	0-5

Statement of total return

for the half year ended 30 June 2011 (unaudited)

	Notes	30.6.2011		30.6.2010	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		(256)		7,287
Revenue	3	5,492		4,487	
Expenses	4	<u>(760)</u>		<u>(624)</u>	
Net revenue			<u>4,732</u>		<u>3,863</u>
Total return before distributions			4,476		11,150
Finance costs: distributions	6		<u>(4,710)</u>		<u>(4,283)</u>
Change in net assets attributable to unitholders from investment activities			<u>(234)</u>		<u>6,867</u>

The notes on pages 26 to 34 form part of these accounts.

Statement of change in net assets attributable to shareholders

for the half year ended 30 June 2011 (unaudited)

	30.6.2011		30.6.2010	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		136,631		115,259
Amounts receivable on issue of units	6,855		7,457	
Amounts payable on cancellation of units	(3,559)		(781)	
		3,296		6,676
Change in net assets attributable to unitholders from investment activities		(234)		6,867
Retained distribution on accumulation units		91		92
Closing net assets attributable to unitholders		<u>139,784</u>		<u>128,894</u>

The above statement shows the comparative closing net assets at 30 June 2010 whereas the opening net assets for the current accounting period commenced on 1 January 2011.

The notes on pages 26 to 34 form part of these accounts.

Balance sheet

at 30 June 2011 (unaudited)

	Notes	30.6.2011		31.12.2010	
		£'000	£'000	£'000	£'000
ASSETS					
Investment assets	7		137,435		134,320
Debtors	8	963		1,122	
Cash and bank balances	9	5,971		<u>6,544</u>	
Total other assets			6,934		<u>7,666</u>
Total assets			144,369		141,986
LIABILITIES					
Creditors	10	2,214		2,307	
Distribution payable on income units		2,372		<u>2,801</u>	
Total liabilities			4,586		<u>5,108</u>
Net assets attributable to unitholders			139,784		<u>136,878</u>
Approved on behalf of the Board		D Henderson, Chairman			
28 July 2011					

The notes on pages 26 to 34 form part of these accounts.

Cash flow statement

for the half year ended 30 June 2011 (unaudited)

	Notes	30.6.2011		31.12.2010	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	16		4,797		8,010
Net cash inflow/(outflow) from financing activities					
Issue of units		6,855		15,943	
Cancellation of units		(3,559)		(1,428)	
Distributions paid		<u>(5,295)</u>		<u>(9,013)</u>	
			(1,999)		5,502
Net cash (outflow)/inflow from investment activities					
Capital expenses		(359)		(916)	
Payments to acquire investments		(3,012)		(35,649)	
Proceeds on disposal of investment		<u>-</u>		<u>16,800</u>	
			<u>(3,371)</u>		<u>(19,765)</u>
(Decrease)/increase in cash	17		<u>(573)</u>		<u>(6,253)</u>

The notes on pages 26 to 34 form part of these accounts.

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 properties, and in accordance with accounting policies set out below and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

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

(b) Revenue recognition

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

(c) Expenses

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

(d) Distributions

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

(e) Capitalised costs

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

(f) Basis of valuation

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

Notes to the accounts

(unaudited)

2. Net capital gains/(losses)	30.6.2011	30.6.2010
	£'000	£'000
The net capital gains/(losses) during the period comprise:	<u>(256)</u>	<u>7,287</u>
3. Revenue	30.6.2011	30.6.2010
	£'000	£'000
Rental revenue	5,428	4,449
Interest on the COIF Charities Deposit Fund	6	32
Bank interest	-	4
Other revenue	58	2
	<u>5,492</u>	<u>4,487</u>
4. Expenses	30.6.2011	30.6.2010
	£'000	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(c)	447	392
Manager's periodic charge rebate – see note 1(c)*	(7)	(12)
	<u>440</u>	<u>380</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee Fee	22	22
Bank charges	8	-
	<u>30</u>	<u>22</u>

Notes to the accounts

(unaudited)

	30.6.2011	30.6.2010
	£'000	£'000
Other expenses:		
Insurance fee	1	1
Audit fee	4	4
Investment property database fee	5	5
Property ground rent and empty rates	14	76
Property legal and professional fees	80	33
Property valuation fees	60	53
Property non-recoverable insurance	-	1
Property service charge	120	49
Property other expenses	6	-
	290	222
Total expenses	760	624

The above expenses include VAT where applicable.

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

5. Taxation

The Fund is exempt from UK income and capital gains tax due to its charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid and reinvested revenue credited gross to unitholders on the basis that all appropriate UK taxation has been both reclaimed and recovered.

Notes to the accounts

(unaudited)

6. Finance costs Distributions

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

	30.6.2011	30.6.2010
March – interim distribution	2,310	2,113
June – interim distribution	2,436	2,240
	4,746	4,353
Add: revenue deducted on cancellation of shares	47	5
Deduct: revenue received on issue of shares	(83)	(75)
Net distribution for the period	4,710	4,283
Net revenue for the period	4,731	3,863
Transfer income (to)/from reserve – see note 11	(468)	28
Manager’s periodic charge paid by capital - see note C	447	392
Net distribution for the period	4,710	4,283

7. Property investments

	30.6.2011	31.12.2010
	£'000	£'000
Market value at the start of the year	134,320	106,100
Acquisitions at cost	3,012	35,649
Capitalised expenses	359	916
Sales proceeds from disposals	-	(16,800)
Realised gains / losses on disposals	-	(1,189)
Unrealised losses on revaluation	(256)	9,644
Market value at the end of the period	137,435	134,320
Historical cost at the end of the period	147,864	144,852

Notes to the accounts (unaudited)

8. Debtors	30.6.2011	31.12.2010
	£'000	£'000
Rents receivable	396	671
Property payments recoverable	258	126
Property incentives	309	290
VAT recoverable	-	35
	<u>963</u>	<u>1,122</u>

9. Cash and bank balances	30.6.2011	31.12.2010
	£'000	£'000
Cash in the COIF Charities Deposit Fund	463	1,296
Cash at bank	5,508	5,248
	<u>5,971</u>	<u>6,544</u>

10. Creditors	30.6.2011	31.12.2010
	£'000	£'000
Rent received in advance	1,535	1,685
VAT payable	64	-
Accrued expenses	51	58
Rent deposits	564	564
	<u>2,214</u>	<u>2,307</u>

11. Income Reserve

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

	30.6.2011	31.12.2010
	£'000	£'000
Income reserve at the start of the period	155	849
Transfer to/(from) income reserve	468	(694)
Income reserve at the end of the period	<u>623</u>	<u>155</u>

Notes to the accounts

(unaudited)

12. Financial instruments

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

Market price risk

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

Financial assets

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

Financial liabilities

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

Liquidity risk

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

Currency risk

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

Interest rate risk

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

Notes to the accounts

(unaudited)

The interest rate profile of the Fund's financial assets and liabilities at 30 June 2011 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	5,971	-	138,398	144,369

<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	-	-	4,586	4,586

31 December 2010

<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	6,544	-	135,442	141,986

<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	-	-	5,108	5,108

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

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

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

Notes to the accounts (unaudited)

13. Board remuneration

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

14. Related party transactions

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

	30.6.2011	31.12.2010
	£'000	£'000
The Manager	-	-
HSBC Bank Plc	-	19
	<u> </u>	<u> </u>

15. Turnover of units

The number and net asset value of units in the Fund issued, cancelled and transferred in the year to 30 June 2011 was as follows:

	<i>Number of units</i>	<i>Value £</i>	<i>% of NAV at 30.6.2011</i>
Units issued	6,369,282	6,855	4.90
Units cancelled	3,408,435	3,559	2.55

At 30 June 2011 there were no redemption notices outstanding.

Notes to the accounts

(unaudited)

16. Reconciliation of net cash inflow from operating activities

	30.6.2011	31.12.2010
	£'000	£'000
Net revenue for the year	4,732	7,999
(Increase)/decrease in accrued revenue	275	(154)
(Increase)/decrease in debtors	(116)	85
(Decrease)/Increase in creditors	(94)	80
Net cash inflow from operating activities	<u>4,797</u>	<u>8,010</u>

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

	30.6.2011	31.12.2010
	£'000	£'000
Net cash at beginning of the year	6,544	12,797
Movement in cash during the year	(573)	(6,253)
Net cash at the end of the year	<u>5,971</u>	<u>6,544</u>

Distribution table

for the half year ended 30 June 2011 (unaudited)

<i>Period ended</i>	<i>Date paid/payable</i>	<i>Dividends paid/payable pence per unit</i>	
		2011	2010
Income units			
31 March 2011	28 May 2011	1.70	1.70
30 June 2011	31 August 2011	1.80	1.80
		<u>3.50</u>	<u>3.50</u>
		<i>Revenue accumulated pence per unit</i>	
		2011	2010
Accumulation units			
31 March 2011		2.88	3.22
30 June 2011		3.18	2.56
		<u>6.06</u>	<u>5.78</u>

Statement of Board, Corporate Trustee and Manager responsibilities

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

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

Responsibilities of the Trustee

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

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

Statement of Board, Corporate Trustee and Manager responsibilities

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

Responsibilities of the Manager

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

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in October 2010;

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

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

Board

D Henderson, Chairman of the Board, FCA,
Company Director
T Bell, FRICS
T Clark, Solicitor
A Daws, Solicitor
R Fitzalan Howard, Chairman, FF&P Asset
Management Limited
G Newson, MRICS

Secretary

J Fox

Manager, Administrator and Registrar

CCLA Investment Management Limited

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the Financial Services Authority*

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Directors responsible for the Fund

M Quicke (Chief Executive)
J Bevan (Chief Investment Officer)
S Curran (Chief Operating Officer)
C Peters (Investment Director)
A Robinson (Director Market Development)

Fund Manager

R Halliday

Company Secretary

J Fox

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

A Kemp

**Head of Ethical and Responsible
Investment**

H Wildsmith

Corporate Trustee and Custodian

HSBC Bank plc
8 Canada Square,
London E14 5HQ

Banker

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

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields,
London WC2A 3LH

Independent Auditor

Ernst & Young LLP
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.

A CHOICE OF SIX FUNDS

The six COIF Charity Funds aim to meet most of the investment and deposit needs of Charities.

Investment Fund

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

Ethical Investment Fund

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

Global Equity Income Fund

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

Fixed Interest Fund

- Long-term investment focused on income
- Gross income paid quarterly
- Usually held with other investments such as equities

The Deposit Fund is rated AAA by Fitch Ratings. This reflects the high credit quality of the portfolio.

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

The value of the investments may fall as well as rise and an investor may not get back the full amount originally invested.

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

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and cash to give a broad spread of assets and achieve combined income and growth objectives

Property Fund

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

Deposit Fund

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