



for the Church of England

# The CBF Church of England Deposit Fund

Annual Report and Accounts  
Year to 30 November 2007

## Contents

- 1 Report of the Trustee
- 3 Report of the Investment Manager
- 5 Report of the Independent Auditors
- 6 Average rates of interest paid
- 7 Statement of total return
- 7 Interest paid table
- 8 Balance Sheet
- 8 Summary of deposits placed by maturity
- 9 Notes to the accounts
- 12 Statement of Trustee and Manager responsibilities

### **Trustee and Manager**

(inside back cover)

### **Description of The CBF Church of England Funds**

(outside back cover)

#### **Disability Discrimination Act 1995**

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

# The CBF Church of England Deposit Fund

## Report of the Trustee

### for the year ended 30 November 2007

On behalf of the Trustee, I have pleasure in presenting the Annual Report and Accounts of The CBF Church of England Deposit Fund (the Fund), which includes a separate report from CCLA Investment Management Limited (the Manager) as Manager of the Fund.

#### Structure and management

The Fund is a Common Fund established by the Church Funds Investment Measure 1958 (as amended from time to time), and the Trustee Act 2000.

CBF Funds Trustee Limited (CBFFT), a company incorporated under the Companies Act, limited by guarantee and not having share capital, is the Trustee and Operator of the Fund. CBFFT has an Audit Committee which meets twice a year to review financial statements and monitor the control environment in which the Fund operates.

CBFFT has delegated to the Manager, which is authorised and regulated by the Financial Services Authority (FSA), the investment management, administration, registrar, secretarial and company secretarial functions of the Fund under Management Agreements dated 15 November 2006.

Under the provisions of the Financial Services and Markets Act 2000 (FSMA), CBFFT is not considered to be operating the Fund by way of business. In consequence, it is not required to be authorised and regulated by the FSA and the trustee directors of CBFFT are not required to be authorised by the FSA for this purpose.

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

#### Charitable status of the Fund

The Fund is entitled to charitable status by virtue of section 25(2) of the Charities Act 1993. In the administration of the Fund, CBFFT is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

#### Investment objective of the Fund

The Fund aims to pay competitive rates of interest, which reflect the level of short dated money market rates. The Fund also aims to maintain its Aaa (Triple A) Moody's Investors Service Money Market rating.

#### Total return benchmark

The Fund's benchmark is the London Interbank 7-day bid rate (LIBID) as measured by the British Bankers Association, before management expenses.

#### Responsibilities of the Trustee

CBFFT receives a report on the published accounts from the Manager twice a year and is wholly responsible for the Fund. CBFFT monitors the investment management, administration, registration, secretarial and company secretarial services provided by the Manager under respective Management Agreements. It meets quarterly with the Manager to monitor investment strategy, interest rate policy, investment diversification and risk and to review the Fund's performance. In addition, CBFFT reviews the Annual Report and Accounts of the Fund prepared on its behalf by the Manager.

CBFFT is responsible for appointing an Audit Committee, the Auditor and the Safe Custody Agent. It reviews annually the objectives of the Fund in the light of current circumstances.

#### RBS monitoring service

CBFFT has appointed The Royal Bank of Scotland plc to monitor the Manager in respect of its activities related to the management and administration of the Fund and to provide formal six-monthly reviews of its findings to the Audit Committee. The Royal Bank of Scotland plc has not raised any material issues.

#### Delegation of functions

Following its regular meetings and consideration of the reports and papers it has received, CBFFT is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Measure and with the relevant Management Agreements.

**The CBF Church of England Deposit Fund**  
**Report of the Trustee**  
**for the year ended 30 November 2007**

**Controls and risk management**

CBFFT receives and considers regular reports from the Manager. Other ad hoc reports and information are supplied 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.

CBFFT receives internal audit reports on the controls of the Manager. During the year CBFFT, assisted by the Manager, reviewed the Fund's systems of internal control.

At each of its meetings, the Audit Committee receives and reviews a formal risk management report from the Manager. This sets out the main risks facing the Fund, the controls in place to mitigate those risks and the assessment of each risk in terms of both gross and residual exposure after application of mitigating controls.

R Broadhurst  
Chairman  
CBF Funds Trustee Ltd

30 January 2008

# The CBF Church of England Deposit Fund

## Report of the Investment Manager

### for the year ended 30 November 2007

- A money market 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

Over the twelve months to 30 November 2007 the Fund achieved a total return before management expenses of 5.81%. This was 0.11% higher than the Fund's benchmark, the London Inter-Bank 7-Day Bid rate. The Fund's average weighted duration was 51 days at the year end.

As a better place for your cash reserves, the Deposit Fund remains highly competitive. The declared rate averaged 5.40% over the year, equivalent to an Annual Equivalent Rate (AER) of 5.51%. The Deposit Fund rate at 30 November 2007 was 5.88% (6.01% AER). Total client deposits, excluding those of the other CBF Church of England Funds, rose by a record £74 million (2006: £71m). As at 30 November 2007 client deposits were £867 million.

#### Market review

In the latter half of 2006 the Bank of England's Monetary Policy Committee (MPC) raised the official bank rate twice by 0.25% on concern that inflationary pressures were building. In fact, in the first half of 2007, the annual rate of UK consumer price inflation rose above 3.0%, which required the Bank of England's Governor to write an explanatory letter to the Chancellor explaining why inflation was over 1.0% above the target level. During the first half of the year the MPC tightened monetary policy by a further 0.75%, taking the official rate to 5.75% in July. In the August Inflation Report the Bank of England indicated that the UK economy could slow but it still perceived that the risk of inflation

remained to the upside and forecast that a further increase in the official bank rate may be required. This outlook was then quickly reversed following an unexpected fall in the inflation rate and the near seizure of the international money markets which signalled deepening global problems. The widespread market difficulties and extreme risk aversion followed concerns that problems relating to US subprime mortgage exposures could have an impact on the global financial sector. In circumstances unparalleled in modern banking times the crisis continues to distort the Sterling inter-bank money market and the situation has also persisted in the Euro and US Dollar markets despite action from central banks to aid liquidity. The three central banks have all used different tactics. The US Federal Reserve has initiated interest rate cuts, the European Central Bank has added extra liquidity and the Bank of England has gradually broadened the array of repo eligible assets. No tactic has however removed worries about the credit quality of individual banks.

#### Strategy

The assets of the Deposit Fund are placed with a diversified list of quality counterparties in order to achieve a very low overall level of risk and high security of capital. The Fund then maintains a high level of liquidity to ensure that sufficient money is always readily available to meet client withdrawals. The balance of the Fund is deposited for up to one year with the aim of boosting the overall yield of the Fund for the benefit of the depositors.

#### Aaa rating

The Fund is rated Aaa (Triple A) by Moody's Investors Service. This is the highest money market 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, the quality of management and the existence of appropriate internal controls. This excellent credit rating continues to underline to depositors the high credit quality of this Fund.

The CBF Church of England Deposit Fund  
**Report of the Investment Manager**  
for the year ended 30 November 2007

### Outlook

In the November Inflation Report, the Bank of England implied that rate cuts would be required in 2008 if inflation was to be at its 2% target level in two years' time. Consistent with this, the decision to cut the official bank rate by 0.25% in December was accompanied by an explanatory statement outlining the need for lower rates. The inter-bank rates only fell marginally after the rate cut giving the MPC some cause for concern that its monetary policy was not being immediately transmitted to the rest of the economy.

The current market consensus is that the Official Bank Rate will be reduced to 4.75% during 2008.

C Peters  
Investment Director  
CCLA Investment Management Limited

30 January 2008

---

### Risk warning

The Manager undertakes to exercise reasonable care in its placing of deposits with a selected list of banks and building societies, however it cannot give guarantees regarding

repayment of deposits. The daily rate on the Deposit Fund accounts will fluctuate and past performance is no guarantee of future returns. Deposits in the Fund are not covered by the Financial Services Compensation Scheme.

# The CBF Church of England Deposit Fund

## Report of the Independent Auditors

### to the depositors of The CBF Church of England Deposit Fund

We have audited the financial statements of The CBF Church of England Deposit Fund for the year ended 30 November 2007 which comprise the statement of total return, interest paid table, the balance sheet, summary of deposits placed by maturity, and the related notes. These financial statements have been prepared under the accounting policies therein.

This report is made solely to the depositors of the Fund, as a body, in accordance with the Church Funds Investment Measure 1958, as amended. Our audit work has been undertaken so that we might state to the depositors of the Fund those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the depositors of the Fund, as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Trustee and Auditors

The Trustee is responsible for the preparation of the annual report and the financial statements in accordance with Accounting Standards (United Kingdom generally accepted accounting practice) as set out in the Statement of Trustee and Manager responsibilities in relation to the financial statements. Our responsibility is to audit the financial statements in accordance with United Kingdom legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom generally accepted accounting practice, the Church Funds Investment Measure 1958, as amended, and the Trustee Act 2000. We also report to you if, in our opinion, the Report of the Investment Manager is not consistent with the financial statements, if the Manager has not kept proper accounting records for the Fund, if the financial statements are not in agreement with those accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only of the Report of the Investment

Manager and the other items set out on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom generally accepted accounting practice of the financial position of the Fund at 30 November 2007, the net income for the year then ended; and
- have been properly prepared in accordance with United Kingdom generally accepted accounting practice, the Church Funds Investment Measure 1958, as amended, and the Trustee Act 2000.

Ernst & Young LLP  
Registered Auditors  
London

30 January 2008

---

The maintenance and integrity of the CCLA Investment Management Limited web site is the responsibility of the directors; the work carried out by the auditors of The CBF Church of England Deposit Fund does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have

occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The CBF Church of England Deposit Fund  
**Average Rates of Interest Paid**  
 for the year ended 30 November 2007

<i>Month</i>	<i>Actual % p.a.</i>	<i>Gross AER* % p.a.</i>
December	4.89	4.98
January	4.98	5.07
February	5.10	5.20
March	5.16	5.27
April	5.24	5.34
May	5.32	5.42
June	5.38	5.49
July	5.52	5.64
August	5.62	5.74
September	5.83	5.96
October	5.88	6.01
November	5.88	6.01

<i>Years to 30 November</i>	<i>Actual % p.a.</i>	<i>Gross AER* % p.a.</i>
2003	3.42	3.47
2004	4.09	4.15
2005	4.48	4.56
2006	4.45	4.53
2007	5.40	5.51

\* Annual equivalent rate (AER) illustrates what the annual interest rate would be if the quarterly interest payments were compounded.

The CBF Church of England Deposit Fund  
**Statement of Total Return**  
for the year ended 30 November 2007

	<i>Notes</i>	<b>30.11.2007</b> <b>£'000</b>	30.11.2006 £'000
Income		<b>51,119</b>	37,816
Expenses	2	<b>(2,134)</b>	(1,923)
<b>Net income and total return</b>		<b>48,985</b>	35,893
Finance costs: distributions		<b>(47,665)</b>	(35,375)
<b>Net increase in income reserve</b>	7	<b>1,320</b>	518

The notes on pages 9 to 11 form part of these accounts.

**Interest Paid Table**  
for the year ended 30 November 2007

<i>Period ended</i>	<i>Date of payment</i>	<b>Total</b> <b>£'000</b>	<i>Average rates of interest paid</i>	
			<b>2007</b> %	2006 %
28 February 2007	6 March 2007	<b>10,330</b>	<b>4.99</b>	4.34
31 May 2007	6 June 2007	<b>11,493</b>	<b>5.24</b>	4.37
31 August 2007	6 September 2007	<b>12,547</b>	<b>5.51</b>	4.44
30 November 2007	6 December 2007	<b>13,295</b>	<b>5.86</b>	4.65
		<b>47,665</b>	<b>5.40</b>	4.45

## The CBF Church of England Deposit Fund

# Balance Sheet

at 30 November 2007

	Notes	30.11.2007 £'000	30.11.2006 £'000
Debtors	4	9,606	8,030
Cash and bank balances		2,612	1,610
Deposits		925,362	839,164
<b>Total assets</b>		<b>937,580</b>	<b>848,804</b>
Current deposits	5	904,911	821,648
Creditors	6	14,868	10,675
Income reserve	7	17,801	16,481
<b>Total liabilities</b>		<b>937,580</b>	<b>848,804</b>

Approved on behalf of the Trustee  
30 January 2008

R Broadhurst *Chairman*,  
CBF Funds Trustee Limited

The notes on pages 9 to 11 form part of these accounts.

## Summary of Deposits Placed by Maturity

at 30 November 2007

<i>Repayable</i>	30.11.2007		30.11.2006	
	£'000	%	£'000	%
On Call	13,362	1.44	10,164	1.21
Within 5 business days	59,000	6.38	61,000	7.27
Between 6 and 30 days	169,000	18.26	206,000	24.55
Between 31 and 60 days	393,000	42.47	242,000	28.84
Between 61 and 91 days	251,000	27.13	279,000	33.25
Between 92 and 182 days	20,000	2.16	41,000	4.88
Between 183 days and one year	20,000	2.16	-	-
Total deposits	<b>925,362</b>	<b>100.00</b>	<b>839,164</b>	<b>100.00</b>

# The CBF Church of England Deposit Fund

## Notes to the Accounts

### 1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, 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 December 2005.

(b) Income recognition

Interest on bank and building society deposits is accrued on a daily basis.

(c) Expenses

The Manager's periodic charge paid to the Manager, 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 investment services and other expenses incurred by the Manager. Audit fees, insurance, bank charges, the monitoring fee and the Trustee's administration fee 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).

### 2. Expenses

	<b>30.11.2007</b>	30.11.2006
	<b>£'000</b>	£'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see Note 1(c)	<u>2,086</u>	<u>1,886</u>
	<u>2,086</u>	<u>1,886</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Bank charges	12	11
Monitoring fee	3	4
Trustee's administration fee	<u>18</u>	<u>-</u>
	<u>33</u>	<u>15</u>
Other expenses:		
Insurance fee	8	14
Audit fee	<u>7</u>	<u>8</u>
	<u>15</u>	<u>22</u>
Total expenses	<u><u>2,134</u></u>	<u><u>1,923</u></u>

The above expenses include irrecoverable VAT where applicable.

### 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.

# The CBF Church of England Deposit Fund

## Notes to the Accounts

<b>4. Debtors</b>	<b>30.11.2007</b>	<b>30.11.2006</b>
	<b>£'000</b>	<b>£'000</b>
Loans to Diocesan Boards of Finance:		
Due within one year	<b>108</b>	40
Due two to five years	<b>1,487</b>	1,912
Due after five years	<b>327</b>	550
	<b>1,922</b>	<b>2,502</b>
Interest receivable	<b>7,681</b>	5,526
Prepayments	<b>3</b>	2
	<b>9,606</b>	<b>8,030</b>

<b>5. Current deposits</b>	<b>30.11.2007</b>	<b>30.11.2006</b>
	<b>£'000</b>	<b>£'000</b>
Dioceses, parishes and other	<b>866,875</b>	792,852
The CBF Church of England Investment Fund	<b>24,279</b>	18,986
The CBF Church of England Fixed Interest Securities Fund	<b>1,428</b>	1,599
The CBF Church of England UK Equity Fund	<b>2,251</b>	1,217
The CBF Church of England Property Fund	<b>10,078</b>	6,994
	<b>904,911</b>	<b>821,648</b>

Deposits are repayable to clients on demand.

<b>6. Creditors</b>	<b>30.11.2007</b>	<b>30.11.2006</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable	<b>12,716</b>	9,231
Accrued expenses	<b>7</b>	9
Amounts payable on withdrawals from Fund	<b>2,145</b>	1,435
	<b>14,868</b>	<b>10,675</b>

### **7. Income reserve**

The Fund utilises a reserve which is accumulated out of income and held by CBFFT on trust for depositors for the time being. The principal purpose of the income reserve is to facilitate the payment of interest to depositors at each quarter-end even though a proportion of the income earned by the Fund over the quarter will not be received until the maturity date of individual deposits.

The reserve is also available as a provision against potential default of counterparties and is available to augment the Fund's deposit rate.

	<b>30.11.2007</b>	<b>30.11.2006</b>
	<b>£'000</b>	<b>£'000</b>
Income reserve at start of the year	<b>16,481</b>	15,963
Transfer to income reserve	<b>1,320</b>	518
Income reserve at end of the year	<b>17,801</b>	<b>16,481</b>

### **8. Financial instruments**

The main risks arising from the Fund's financial instruments and the Manager's policies for managing the risks are summarised below.

Interest rate risk

The Fund invests in fixed rate and floating rate deposits. Changes in the interest rates will result in income either increasing or decreasing.

## The CBF Church of England Deposit Fund

# Notes to the Accounts

The interest rate profile of the Fund's financial assets and liabilities at 30 November 2007 was as follows:

<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>
<b>Sterling</b>	<b>17,896</b>	<b>912,000</b>	<b>7,684</b>	<b>937,580</b>

<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>
<b>Sterling</b>	<b>922,712</b>	<b>-</b>	<b>14,868</b>	<b>937,580</b>

30 November 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	12,666	830,610	5,528	848,804

<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	838,129	-	10,675	848,804

\*The floating rate financial assets and liabilities of the Fund bear interest at rates based on either LIBOR or base rate, respectively.

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

Currency risk

There was no foreign currency exposure within the Fund at 30 November 2007 (30.11.2006, £nil).

There were no derivatives held by the Fund at 30 November 2007 (30.11.2006, £nil).

## 9. Related party transactions

The Manager's periodic charge is paid to the Manager, 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 the Manager at 30 November 2007 (30.11.2006, £nil). There were no other transactions entered into with the Manager during the year.

CBFFT, as Trustee, is a related party to the Fund. The amounts paid in respect of the Trustee's administration fee are disclosed in Note 2. There were no outstanding balances due to CBFFT at 30 November 2007 (30.11.2006, £nil). Balances held on behalf of other CBF Church of England Funds are disclosed in Note 5. There were no other transactions entered into with CBFFT during the year.

## Statement of Trustee and Manager Responsibilities

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds Investment Measure 1958 as amended by the Church of England (Miscellaneous Provisions) Measure 1995 and the Trustee Act 2000 (together the Measure) 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 Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and settle their terms of engagement;
- determine the rate of remuneration of the Manager in accordance with the Measure and the Scheme Information;
- supervise and oversee the Manager's compliance with the Measure and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Measure, and ensure the Manager is maintaining adequate and proper records;
- appoint, supervise and oversee any Registrar or other delegate which it has appointed in accordance with the provisions of the Scheme;
- review the custody and control of the property of the Fund and the collection of all income due to the Fund in accordance with the Measure;
- apply interest payments to depositors based on their average daily balance in the Fund; and
- take all steps and execute all documents which are necessary to ensure that the deposits and withdrawals for the Fund are properly completed.

### Preparation of accounts

The Trustee of the Fund is required, by the Measure, to prepare accounts which give a true and fair view of the financial position of the Fund at each half year and year end valuation date. The net income for the year, together with a report on the operation of the Fund is also required. In preparing these accounts, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA) in December 2005;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the accounts, as prepared, comply with the above requirements;
- makes judgments and estimates that are prudent and reasonable; and
- prepares the accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Measure and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Measure. The Manager is required to carry out these duties in accordance with the Measure and take reasonable steps for the prevention and detection of fraud and other irregularities.

# CCLA INVESTMENT MANAGEMENT LIMITED

## The CBF Church of England Deposit Fund

### Trustee - CBF Funds Trustee Limited

R Broadhurst (Chairman)  
J Clunie\*  
L Farrall  
N Pearson  
S Steele  
Rev Dr R Turnbull \*  
R Williams\*

\* Members of the Audit Committee

J Fox (Secretary)

### Manager, Administrator and Registrar

#### CCLA Investment Management Limited

Authorised and regulated by the Financial Services Authority  
80 Cheapside, London EC2V 6DZ  
Telephone: 020 7489 6000  
Client service freephone: 0800 022 3505  
Facsimile: 0844 561 5126  
Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)  
[www.ccla.co.uk](http://www.ccla.co.uk)

#### Directors responsible for the Fund

M Quicke (Chief Executive)  
J Bevan (Chief Investment Officer)  
S Curran (Chief Operating Officer from 1 May 2007)  
D Butler (Chief Operating Officer to 30 April 2007)  
C Peters (Investment Director)  
A Robinson (Director Market Development)

**Fund Manager** C Peters

**Client Relationship Manager** A Best

**Company Secretary** J Fox

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

**Banker and Monitoring Service** The Royal Bank of Scotland plc  
62/63 Threadneedle Street, London EC2R 8LA

**Safe-Custody Agent** The Northern Trust Company  
50 Bank Street, Canary Wharf, London E14 5NT

**Solicitors** Bates, Wells & Braithwaite LLP  
2-6 Cannon Street, London EC4M 6YH  
Farrer & Co LLP  
66 Lincoln Inn Fields, London, WC2A 3LH

**Independent Auditor** Ernst & Young LLP  
More London Place, London SE1 2AF



## CCLA INVESTMENT MANAGEMENT LIMITED

### The CBF Church of England Funds

The CBF Church of England Funds provide Church of England parishes, dioceses and other church charitable trusts with a ready-made service to look after their money and investments. These Funds aim to provide prudent management of church money avoiding unnecessary risks but at the same time seeking to deliver satisfactory investment results.

#### A CHOICE OF FUNDS

Six CBF Church of England Funds aim to meet most of the investment and deposit needs of a Church trust.

- **Investment Fund**
  - A suitable 'all-in-one' long-term fund for most church organisations
  - Highly diversified and well-balanced spread of investments
  - Designed to help meet growth and income requirements
  - Focus on delivering attractive, growing income
  - Aligned with the Church of England's Ethical Investment Policy
- **Global Equity Income Fund**
  - Attractive income now
  - Rising income in the future
  - Strong growth opportunities from the global economy
- **UK Equity Fund**
  - The only UK equity fund entirely aligned with the Church of England's Ethical Investment Policy
  - High quality, well-diversified portfolio
  - Designed to help meet growth and income requirements
  - Usually held with other investments such as overseas equities, bonds and cash to give a broad spread of assets and achieve overall objectives
- **Fixed Interest Securities Fund**
  - Long-term investment focused on income
  - Gross income paid quarterly
  - Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives
- **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**
  - A great rate
  - Interest paid gross
  - No minimum balance
  - Easy access
  - Simple operation
  - Excellent service
  - Free BACS transfers
  - Aaa (triple A) credit rating\*

\*The Deposit Fund has consistently achieved a Aaa rating from the credit rating agency Moody's Investors Service – the highest possible.

The Funds are common funds established under the Church Funds Investment Measure 1958 (as amended from time to time). CBF Funds Trustee Limited, a company incorporated under the Companies Act is the Trustee and Operator of the Funds. CCLA manages the investment 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 at 80 Cheapside, London EC2V 6DZ) is authorised and regulated by the Financial Services Authority. CBF Funds Trustee Limited is a Registered Charity No. 1116932 and is registered in England as a company limited by guarantee (No. 5957490).

CCLA is committed to making a positive contribution to environmental protection. We seek to ensure our suppliers are using environmentally friendly production processes. The paper and board used for this publication contains 50% recovered waste and 50% virgin fiber, and is certified as a Forest Stewardship Council (FSC) mixed source product.

#### CCLA INVESTMENT MANAGEMENT LTD

80 Cheapside  
London EC2V 6DZ

Client Service:

Freephone: 0800 022 3505

Facsimile: 0844 561 5126

Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)

[www.ccla.co.uk](http://www.ccla.co.uk)