

THE CBF CHURCH OF ENGLAND UK EQUITY FUND  
ANNUAL REPORT AND  
FINANCIAL STATEMENTS

For the year ended 31 December 2024

**CCLA**

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\*Collectively, these comprise the Manager's Report.

\*\*Audited.

References to "CCLA" refer to the CCLA Group, comprising CCLA Investment Management Limited and CCLA Fund Managers Limited.

#### Disability Discrimination Act 1995

Extracts from the Annual Report and Financial Statements are available in large print and audio formats.

**REPORT OF THE TRUSTEE**

for the year ended 31 December 2024

On behalf of the Trustee, I have pleasure in presenting the Annual Report and Financial Statements of The CBF Church of England UK Equity Fund (the “Fund”), which includes a separate report from CCLA Investment Management Limited (the “Manager”) as Manager of the Fund. The Manager is authorised and regulated by the Financial Conduct Authority (“FCA”).

**Structure and management of the Fund**

The Fund is an investment fund, administered as a common fund and is established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) Measure 2010 (together the “Measure”) and the Trustee Act 2000. The Fund was formed on 1 December 2004. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (“FSMA”) as amended or changed from time to time.

CBF Funds Trustee Limited (the “Trustee”) is the Trustee and Operator of the Fund. The Trustee is a company incorporated under the Companies Act 1985 (now Companies Act 2006). It is a registered charity (No. 1116932) and is incorporated in England and Wales as a company limited by guarantee.

The Manager has been appointed by the Trustee pursuant to the investment management agreement dated September 2008 to provide discretionary investment management services as well as administrative and registration services under the investment management agreement.

Under the provisions of FSMA, the Trustee is not considered to be operating the Fund “by way of business”. Consequently, it is not required to be authorised or regulated by the FCA and its members are not required to be approved by the FCA for this purpose.

As the Fund is structured as an unregulated fund, investments in the Fund are not covered by the Financial Services Compensation Scheme.

**Charitable status**

The Fund is entitled to charitable status by virtue of section 99(4) of the Charities Act 2011. In the administration of the Fund, the Trustee is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

**Investment objective**

The Fund aims to provide growth in capital and income over the long-term.

**Investment policy**

The Fund is an actively managed, diversified portfolio of UK equities. It will principally invest in UK equities, but may also invest in other assets, which may be either liquid or illiquid in nature.

**REPORT OF THE TRUSTEE****for the year ended 31 December 2024**

The Fund is managed in line with a faith-consistent investment policy, developed by the Manager, to meet Shareholders' desire to invest in a way that reflects Christian and Anglican teachings and is grounded in the advice produced by the Church of England's Ethical Investment Advisory Group. This can include restrictions from investment (or other implications for asset selection) and/or engagement activity that goes beyond CCLA's standard approach.

**Comparator benchmark**

The comparator benchmark for the Fund is the MSCI<sup>TM</sup> United Kingdom Investable Market Index. The comparator benchmark sets a standard against which the performance of the Fund can be assessed.

**Target investors**

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should be looking to invest for at least five years and understand that their capital may be at risk, have the ability to bear losses and appreciate that the value of their investment and any derived income may fall as well as rise.

Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor.

Investors may be either retail or professional clients (both per se and elective).

**Review of investment activities and policies of the Fund**

The Trustee is ultimately responsible for The CBF Church of England UK Equity Fund and receives reports on the published financial statements.

The Trustee holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by the Manager under the investment management agreement. The Trustee has appointed an audit committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund.

The Trustee has appointed the custodian to hold the securities of the Fund in specially designated accounts in safe custody.

**Delegation of functions**

Following its regular meetings and consideration of the reports and papers it has received, the Trustee is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Church Funds Investment Measure 1958 and with the investment management agreement.

**REPORT OF THE TRUSTEE**

for the year ended 31 December 2024

**Controls and risk management**

The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required.

The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight provides an additional layer of comfort for Shareholders.

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.

At its periodic audit committee meetings, the Trustee receives a report from the Chief Risk Officer of the Manager which covers the following areas amongst others:

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;

- a summary of the internal audit reviews carried out during the reporting period and any significant findings;
- an enterprise risk report which outlines any operational risk events which impacted the Fund; and
- an investment risk report on the Fund with relevant metrics as at the last month end prior to the audit committee meeting.

**Future Development**

On 30 June 2025, the Manager will close the CBF Church of England UK Equity Fund. This outcome has been reached following a detailed review of the Fund and consultation with CBF Funds Trustee Limited, which is responsible for the operation of the fund. In recent years, the Fund has experienced more outflows than inflows and market trends have indicated that investors are more focused on global equity products, which have the benefit of greater diversification and have generally performed better. As a result, the Manager no longer believe that the Fund has any future growth prospects. This view is supported by the Trustee, which reviews and approves changes on behalf of investors in the Fund. Closing the Fund does not require regulatory approval or investor approval. Instead, investors were sent a letter on 1 April 2025, notifying them of the closure. On the same date, subscriptions into the Fund were suspended for orderly operational closure and minimal client impact. On the date of closure, any remaining investors will be redeemed. The Manager will then windup the Fund.

**REPORT OF THE TRUSTEE**

for the year ended 31 December 2024

The Trustee has concluded that the financial statements should be prepared on a basis other than going concern.

A Brookes, Chair  
CBF Funds Trustee Limited  
21 May 2025

## REPORT OF THE INVESTMENT MANAGER

### for the year ended 31 December 2024

#### Strategy

The fund invests in a diversified portfolio of companies, predominantly listed on the London Stock Exchange but with some holdings in companies listed on stock exchanges overseas; this provides access to sectors and industries which are not well represented in the UK-listed market.

The portfolio has a bias towards companies with robust financial positions that are not dependent on cyclical trends in the broader economy to grow their earnings. It has an above-average weighting to companies that have substantial international components to their activities. At the sector level, the fund has high weightings to industrials, technology, healthcare and non-bank financial businesses. Conversely, it has low weightings to energy and utilities shares.

#### Performance

Over the year under review, the Fund achieved a total return after expenses of 4.84%. This compares with a return on the Funds' benchmark UK index of 9.09%. The Fund is actively managed, and it is common for performance to be either above or below that of the comparator benchmark over any given reporting period.

Over the year under review, the fund mainly benefited from its holdings of shares in the IT sector, led by corporate software company Sage Group, as well ventilation provider Volution and housing portal Rightmove, which became the subject of a bid approach.

#### Annualised total capital and income return

| To 31 December 2024                                   | 1 year<br>% | 5 years<br>% p.a. | 10 years<br>% p.a. |
|---|-------------|-------------------|--------------------|
| <b>Performance against benchmark (after expenses)</b> |             |                   |                    |
| <b>CBF Church of England UK Equity Fund</b>           | <b>4.84</b> | <b>4.07</b>       | <b>7.11</b>        |
| <b>Income Shares*</b>                                 | <b>4.84</b> | <b>4.07</b>       | <b>7.11</b>        |
| <b>Accumulation Shares*</b>                           | <b>4.84</b> | <b>4.08</b>       | <b>7.12</b>        |
| Comparator benchmark <sup>#</sup>                     | 9.09        | 4.61              | 5.93               |
| Consumer Price Index (CPI)                            | 2.57        | 4.56              | 3.08               |

<sup>#</sup> Comparator benchmark – Composite: From 01.01.16 MSCI UK IMI. To 31.12.15 MSCI UK All Cap. To 30.11.14 MSCI UK All Cap adjusted for EIAG Ethical Restrictions.

\* Mid to mid plus income re-invested.

Past performance is not a reliable indicator of future results.

Source: CCLA, Bloomberg & HSBC.

## REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2024

However, the fund's performance lagged its comparator UK index. This was mainly because the fund was less exposed (underweight) to the banking sector than the comparator. Individual positions that detracted from relative performance included veterinary services provider CVS Group, which was hit by a competition investigation and Watches of Switzerland, on weakening luxury demand.

By contrast, the fund's overseas holdings generally boosted relative performance, led by Microsoft, chip manufacturer TSMC and Google parent Alphabet.

### Market review

The MSCI UK Investable Market Index (IMI), which captures around 99% of the market value of listed UK shares, advanced 9.09% in 2024, in pounds sterling. That performance makes 2024 the best year for UK shares since 2021. UK shares advanced significantly less during the year, however, than the MSCI USA IMI index (+23.32%) or the MSCI World IMI index (+17.52%), both in US dollars.

At the beginning of 2024, many investors considered that the high interest rates that central banks put in place to combat inflation might trigger recessions. In such a scenario, they feared, stock markets would struggle to advance in 2024. What transpired, however, was a solid year for shares.

From early 2024, it became clearer that major economies would probably avoid recessions

and continue to grow. The UK and eurozone economies grew 1.7% and 0.7% in 2024, respectively. In the US, the Federal Reserve (Fed) expects that US gross domestic product (GDP) has grown 2.5% last year.

In addition, inflation continued to fall in most countries in the first half of 2024. As a result, investors grew confident that central banks would cut interest rates soon. And they were right. Starting in June, the European Central Bank cut its deposit rate 1% in 2024. The Bank of England (BoE) cut its Official Bank Rate 0.50% between August and the end of the year. And in the US, the Fed cut its Federal Funds target rate 1.0% in 2024, starting in September.

However, economic sentiment soured in the run-up to and aftermath of the new government's first budget, in late October. The Chancellor's announcement of higher national insurance rates, in particular, dimmed the corporate outlook.

And inflation rebounded in many countries in the second half of 2024. UK consumer price (CPI) inflation, for example, fell to 1.7% in September, but rebounded to 2.6% in November, year on year. Above-target or volatile inflation made several central banks weary of cutting interest rates too fast. As the BoE's Governor, Andrew Bailey, put it in December: 'with the heightened uncertainty in the economy we can't commit to when or by how much we will cut rates in the coming year.'



## REPORT OF THE INVESTMENT MANAGER

### for the year ended 31 December 2024

The more sober outlook for inflation and for the government's finances led to a 1.34% fall in UK share prices in December alone. In the absence of stock market phenomena like the 'Magnificent 7' (Google's parent Alphabet, Amazon, Apple, Facebook parent Meta Platforms, Microsoft, Nvidia and Tesla), this downturn limited the performance of UK shares in 2024.

#### Outlook

Stock markets in most countries rallied during 2024, and valuations rose, particularly among US shares. For the US stock market as a whole, price-to-earnings (P/E) ratios averaged around 22x at the end of last year, based on one-year forward earnings. High valuations contributed to a sell-off in US shares since the start of the year, in particular for the so-called 'Magnificent 7'.

By contrast, UK share prices have risen in the year to date. These shares traded at a P/E ratio of around 17x at the end of 2024. Macroeconomic as well as company-specific drivers explain this lower valuation. The International Monetary Fund (IMF) expects the UK economy to grow 1.5% in 2025, compared to 2.2% for the US economy. One-year forward earnings growth for firms in the MSCI UK Index is expected to be 5.7%, less than half the growth rate of those in the MSCI USA Index.

In addition, the universe of UK shares is more defensive than the US market. At the end of 2024, IT companies made up 1% of the MSCI UK Index, by market value, compared to 32% of the MSCI USA Index. By contrast, energy companies made up over 11% of the UK index at that time, versus 3% of the S&P500. Defensive sectors overall (consumer staples, health care, energy, utilities) account for around 47% of the MSCI UK Index, compared to only 22% of the MSCI USA Index.

With the above in mind, we expect UK-listed shares to remain a less volatile segment of world stock markets. For starters, income is likely to remain one of the UK market's strong suits, with an average dividend yield of 3.6%, compared to 1.2% for US-listed shares. In addition, UK shares are likely to remain attractive, relative to other regions, if the Trump administration starts implementing tariffs. For example: around 3% of the revenues of EU-listed shares are generated by goods that are susceptible to tariffs, versus less than 1% of revenues of UK-listed entities. Finally, Europe's geopolitical situation may boost UK shares, as c.84% of UK defence spending goes to UK companies.

C Ryland  
Head of Investment  
CCLA Investment Management Limited  
21 May 2025

## REPORT OF THE INVESTMENT MANAGER

### for the year ended 31 December 2024

#### Top ten changes in portfolio composition

|                                  | Cost<br>£'000 |                               | Proceeds<br>£'000 |
|----------------------------------|---------------|-------------------------------|-------------------|
| <b>Purchases:</b>                |               | <b>Sales:</b>                 |                   |
| Informa                          | 1,758         | Ferguson Enterprises          | 1,562             |
| Ashtead Group                    | 1,478         | Ferguson Newco                | 1,116             |
| Volusion Group                   | 1,087         | Burberry                      | 1,076             |
| LVMH Moet Hennessy Louis Vuitton | 1,055         | Intermediate Capital Group    | 1,016             |
| Synopsys                         | 1,049         | InterContinental Hotels Group | 861               |
| Spirax-Sarco Engineering         | 635           | Experian                      | 761               |
| Kainos                           | 600           | Accenture                     | 717               |
| Discoverie Group                 | 563           | Kerry Group                   | 608               |
| Watches of Switzerland Group     | 427           | RELX                          | 588               |
| CVS Group                        | 250           | Rightmove                     | 525               |

When a stock has both purchases and sales in the reporting period, these transactions have been netted and the net amount has been reflected as either a net purchase or net sale in the table above.

#### Risk warning

Past performance is not a reliable indicator of future results. The price of the Fund's Shares and any income distributions from them may fall as well as rise and an investor may not get back the amount originally invested.

The Fund's Shares are intended only for long-term investment and are not suitable for money liable to be spent in the near future. Shares are realisable on each dealing day only. The Fund mainly invests in stocks from a single geographical area which can lead to risk on concentration.

Investments in the Fund are not covered by the Financial Services Compensation Scheme.

## SUSTAINABILITY APPROACH

### to the Shareholders of The CBF Church of England UK Equity Fund

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainable investment label because it does not have a sustainability goal. However, the Fund is managed in line with its faith-consistent investment policy which supplements CCLA's standard 'Act, Assess, Align' approach to sustainability that applies to the listed equity component of the Fund. Other assets are managed in line with the 'Align' approach – which includes a combination of restrictions applied to meet the Fund's faith-consistent investment policy and to be in common with CCLA's wider approach – as set out in the targeted restrictions below.

The 'Act, Assess, Align' approach includes:

**Act:** acting as an agent for 'change', because investment markets can only ever be as healthy as the environment and communities that support them. This includes:

- Using our ownership rights to improve the sustainability of the assets in which we invest.
- Bringing investors together to address systemic risks that have not received the attention that they require.
- Seeking to be a catalyst for change in the investment industry.

Engagement priorities are applied by the Manager to holdings within the Fund on a 'top-down basis'. By this it is meant that the Manager

prioritises a number of sustainable themes, builds engagement programmes to tackle them and then identifies the correct holdings within the Fund to be included within them. This allows the Manager to control the number of ongoing dialogues and increase its ability to deliver the desired change.

At present, three engagement themes are applied to the Fund. These are:

- I. **Better Health:** which includes working with companies to push for better standards to protect the mental health of employees and push for improvements in the nutritional standards of products.
- II. **Better Environment:** where we are working to accelerate the transition to a net-zero emissions economy and address concerns regarding biodiversity loss. This includes issues such as addressing climate change and tackling biodiversity loss.
- III. **Better Work:** where we are working to address modern slavery and wider concerns regarding human rights, poor labour standards and the living wage.

In the management of the Fund, CCLA may supplement these engagement themes with additional work to address specific issues prioritised to align with Shareholders' desire to reflect Christian, and specifically Anglican, teachings. These additional issues would then be part of the faith-consistent investment policy. Any additional issues will be disclosed to Shareholders through CCLA's website.

## SUSTAINABILITY APPROACH

### to the Shareholders of The CBF Church of England UK Equity Fund

This work only applies to the listed equity component of the Fund. CCLA may change or add to these areas of focus, including items mandated by the faith-consistent investment policy, with the aim of aligning with the priorities of Shareholders.

Recognising the importance of engagement to the sustainability approach the Manager has adopted an engagement metric. The Manager, no less than annually, will disclose the proportion of portfolio holdings that have been engaged directly and report on the effectiveness of these engagements.

For details about engagement priorities and the outcomes that have been achieved please refer to the 'Sustainable Investment Outcomes' report which is available at [www.ccla.co.uk](http://www.ccla.co.uk).

**Assess:** assessing the environmental, social, and governance (ESG) standards of listed equities with the aim of avoiding investment in companies that are deemed by the Manager as having an unacceptable social or environmental impact and supporting the financial returns of the Fund.

This approach is undertaken because the Manager believes that a combination of legislation, regulation and changing societal preferences will impact negatively on the most unsustainable business models.

The Manager's approach to assessing ESG standards has two components; (i) formal codified restrictions from investment of sectors and companies that the Manager believes pose significant environmental and social risks and (ii) an assessment process for the remaining eligible holdings.

The formal codified restrictions process is the method through which investments are 'screened out' on ESG grounds. An example would be that CCLA would be unable to buy a listed equity security of a company that generates more than 10% of its revenue from the extraction, refining or production of fossil fuels. The full restrictions applied by the Fund are included within the 'Align' section below.

The assessment process of the remaining 'eligible' universe is designed to assist in 'financial risk' management and – as such – it identifies companies that require further assessment and/or additional approvals (such as approval by the CCLA Investment Committee) due to the level of ESG Risk rather than explicitly restricting companies. There are three components to this approach:

- I. **Corporate Governance:** assessments of companies' corporate governance is conducted using the CCLA Corporate Governance Rating. Companies with an E or F (the two lowest ratings provided) require the approval of the CCLA Investment Committee.

## SUSTAINABILITY APPROACH

## to the Shareholders of The CBF Church of England UK Equity Fund

II. **ESG Risk/Wider Sustainability factors:**

we assess ESG Risk using our third-party data provider's ESG Risk Rating. Companies which have an ESG Risk rating of 35 (high risk) or more are deemed high risk and require Investment Committee approval for investment. The ESG Risk Rating scale ranges from 0 (negligible risk) to 40+ (severe risk).

III. **Controversies:** companies which do not comply with Global Standards have the most severe level of controversy (as advised by our third-party provider) and are excluded. If they become non-compliant while they are in the Fund, a time-limited engagement plan is created with regular monitoring by the Investment Committee. Should the company not show sufficient improvement the Manager then has a 6-months divestment window. Finally, no further stock/shares can be purchased in this company.

In addition, the Fund is managed in line with CCLA's goal to achieve net-zero emission listed equity portfolios no later than 2050. Companies can be included in our net-zero approach as long as they pass the Fund's values-based screens, our wider ESG minimum standards and are covered by our third-party data providers which provide the basis for assessment in our engagement framework. All our listed-equity portfolios are managed in a way that is less carbon intensive than the MSCI World Index. We determined a reducing maximum carbon ceiling by decarbonising the MSCI World Index's weighted average carbon intensity (Scope 1+2) using the Intergovernmental

Panel on Climate Change (IPCC) 1.5°C/net zero pathway (P2). We commit to managing the listed-equity component of the Fund in a way that ensures that the portfolio footprint is lower than this maximum ceiling. The Manager currently does not provide Scope 3 emissions data due to concerns over accuracy and availability from data providers.

The 'Assess' criteria set out above only apply to the listed equities held within the Fund. In the management of the Fund the Manager may, over time, amend the process used to assess ESG standards.

Recognising the importance of climate change to the Fund's client base the Manager has adopted 'Weighted Average Carbon Intensity' as a key metric for managing the Fund. The Manager will disclose, no less than annually, the weighted average carbon intensity of the Fund, the proportion of the Fund that the disclosure applies to (as it is anticipated that the Manager will be unable to provide full disclosure due to unavailable data) and the listed-equity component of the Fund's position against the maximum carbon ceiling.

More detail is available in our 'Climate for Good Investment' publication – available at [www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline](http://www.ccla.co.uk/documents/climate-good-investment-tcfd/download?inline).

Full details of our approach to net-zero listed equity portfolios are available on our website at [www.ccla.co.uk/sustainability/initiatives/climate-action](http://www.ccla.co.uk/sustainability/initiatives/climate-action).

## SUSTAINABILITY APPROACH

## to the Shareholders of The CBF Church of England UK Equity Fund

**Align:** investing in a way that we believe is aligned with the values and beliefs of our client (as prescribed by the faith-consistent investment policy).

The implementation of this approach involves the application of targeted restrictions upon investment by the Fund. As such, companies and any other assets that meet the following criteria are restricted from investment by the Fund, in line with the Church's teachings:

- **Adult Entertainment:** companies that derive more than 3% of revenue from the production and/or distribution of adult entertainment.
- **Gambling:** companies that derive more than 10% of revenue from the operation of gambling establishments and the provision of key support services and products.
- **Alcohol:** companies that derive more than 10% of revenue from the production and/or retail of alcohol and related products or services.
- **Tobacco:** companies that have any involvement in the production of tobacco and/or derive more than 5% of revenue from the production and/or retail of tobacco and related products/services.
- **Cannabis:** companies that derive more than 10% of revenue from the production and/or retail of non-medicinal cannabis.
- **Controversial Weapons:** companies that have any involvement in the production of Controversial Weapons (core weapons and components). These are defined as landmines, cluster munitions, chemical and/or biological weapons.
- **Nuclear Weapons:** companies that have any involvement in the production of core weapons and/or components of nuclear weapons.
- **Military Weapons:** companies that derive more than 10% of revenue from the production of military weapons and equipment (core weapons, components and equipment/services) and/or the provision of key non-weapons related, tailor-made products for the defence industry.
- **Civilian Firearms:** companies that derive more than 10% of revenue from the production and/or retail of civilian firearms (including key components).
- **High Interest Rate Lending:** companies that derive more than 10% of their revenue from high interest rate lending.
- **Thermal Coal Extraction:** companies that derive more than 5% of revenue from the extraction of thermal coal and/or produce more than 10 million metric tonnes of coal (or have plans to expand their coal production).

## SUSTAINABILITY APPROACH

### to the Shareholders of The CBF Church of England UK Equity Fund

- **Oil and Gas Extraction:** companies that derive more than 5% of revenue from the extraction of tar sands and/or companies that generate more than 10% of revenue from the extraction, production, and/or refining of oil and/or gas.
- **Generation of Electricity and Climate Change:** electrical utility and infrastructure companies that intend to expand their coal-fired generation capacity and/or businesses whose principal activity is the generation of electricity and have not demonstrated the ability to align their business with the Paris Climate Change Agreement (as defined by the Manager).
- **Controversies and International Norms:** companies that fail CCLA's controversy process including non-conformance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and/or other factors defined by the Manager.
- **Sovereign Debt:** no direct investment in sovereign debt from countries identified by the Manager as being amongst the world's most oppressive.
- **Collective Investment Schemes:** Other investment funds that are assessed by the Manager as having any exposure to landmines, cluster munitions, chemical or biological weapons or exposures that materially contradict the above approach. This is defined as having more than 10% of Net Asset Value exposed to other precluded activity. As a final safeguard, we seek to ensure that the combined exposure to all restricted activities within such other investment fund holdings remains below 1% of the capital value of the Fund. Due to a lack of data this approach to assessing the eligibility of Collective Investment Schemes is implemented on a 'best-endeavours' basis.

These restrictions are applied based upon data points selected by CCLA and in accordance with our values-based screening policy which sets out our approach for implementing restrictions across different asset classes and investment structures. The full values-based screening policy is available on our website at [www.ccla.co.uk/about-us/policies-and-reports](http://www.ccla.co.uk/about-us/policies-and-reports).

Recognising the importance of restrictions to Shareholders the Manager will disclose the percentage of the MSCI World Index that is restricted from investment by the Fund.

**SUSTAINABILITY APPROACH****to the Shareholders of The CBF Church of England UK Equity Fund****Climate-related financial disclosures**

CCLA recognises that the investments within the Fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the Fund because healthy markets need a healthy planet and healthy communities.

CCLA produces a TCFD Product Report for each fund it manages, which are consistent with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD Product Reports are designed to help you understand how the Fund is exposed to climate-related risks.

These reports are available on the relevant fund page at [www.ccla.co.uk/investments](http://www.ccla.co.uk/investments).

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The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of England Pensions Board and up to seven independent members who are appointed by a dedicated Nominations Committee. It is currently

Chaired by Barbara Ridpath who took over from the Right Reverend David Walker, The Bishop of Manchester, on the 8 July 2020. More information about the EIAG is available at [www.churchofengland.org/eiag](http://www.churchofengland.org/eiag).



## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of The CBF Church of England UK Equity Fund

**Report on the audit of the financial statements***Opinion*

In our opinion the financial statements of The CBF Church of England UK Equity Fund ('the Fund'):

- give a true and fair view of the financial position of the Fund as at 31 December 2024 and of the net revenue and the net capital gains on the property of the Fund for the year ended 31 December 2024;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Church Funds Investment Measure 1958 ('the Measure') Scheme Information and the Trustee Act 2000.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Church Funds Investment Measure 1958 ('the Measure') Scheme Information and the Trustee Act 2000.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of The CBF Church of England UK Equity Fund

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 1a in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

***Responsibilities of trustees and Manager***

As explained more fully in the Statement of Trustee and Manager Responsibilities, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITOR'S REPORT

## to the Shareholders of The CBF Church of England UK Equity Fund

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Extent to which the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Trustee about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the relevant tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty. These included The Church Funds Investment Measure 1958 and Trustee Act 2000.

We discussed among the audit engagement team, including relevant internal specialists such as IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the sub-fund. In response we have agreed the investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

**INDEPENDENT AUDITOR'S REPORT****to the Shareholders of The CBF Church of England UK Equity Fund**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the FCA.

**Use of our report**

This report is made solely to the shareholders of the Fund, as a body, in accordance with paragraph 14 of the Schedule to the Church Investment Funds Measure 1958. Our audit work has been undertaken so that we might state to the shareholders 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 shareholders of the Fund, as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
21 May 2025

## SUMMARY RISK INDICATOR

The UK PRIIPs Regulation requirements set out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the Recommended Holding Period.



The Manager has classified The CBF Church of England UK Equity Fund as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level and poor market conditions could impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

The summary risk indicator assumes investment in the Fund for the Recommended Holding Period of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Investors can request redemption at any time and the Fund deals on a daily basis. The Fund does not include any protection from future market performance, so you could lose some or all of your investment.

A more detailed description of risk factors that apply to this product is set out in the latest Scheme Information document available on CCLA's website or by request.

## COMPARATIVE TABLE

## Change in net assets per Share

|                                      | Year to<br>31.12.2024<br>pence<br>per Share | Income Shares<br>Year to<br>31.12.2023<br>pence<br>per Share | Year to<br>31.12.2022<br>pence<br>per Share |
|--------------------------------------|---|--|---|
| Opening net asset value per Share    | 197.08                                      | 178.04   | 222.06                                      |
| Return before operating charges*     | 10.66                                       | 26.90  | (36.36)                                     |
| Operating charges**                  | (1.29)                                      | (1.21)   | (1.20)                                      |
| Return after operating charges*      | 9.37  | 25.69  | (37.56)                                     |
| Distributions on Income Shares       | (6.92)                                      | (6.65)   | (6.46)                                      |
| Closing net asset value per Share    | 199.53                                      | 197.08   | 178.04                                      |
| * after direct transaction costs of: | 0.03  | 0.02   | 0.04  |

## Performance

|                      |       |        |          |
|----------------------|-------|--------|----------|
| Return after charges | 4.75% | 14.43% | (16.91%) |
|----------------------|-------|--------|----------|

## Other information

|                                 |            |            |            |
|---------------------------------|------------|------------|------------|
| Closing net asset value (£'000) | 69,946     | 68,436     | 62,643     |
| Closing number of Shares        | 35,056,079 | 34,725,629 | 35,184,578 |
| Operating charges**             | 0.68%***   | 0.67%***   | 0.67%***   |
| Direct transaction costs        | 0.01%      | 0.01%      | 0.02%      |

## Prices (pence per Share)

|                             |        |        |        |
|-----------------------------|--------|--------|--------|
| Highest Share price (offer) | 208.84 | 199.45 | 223.20 |
| Lowest Share price (bid)    | 188.51 | 171.71 | 165.14 |

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

\*\* Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year.

\*\*\* Operating charges includes VAT reclaims received during the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2024, 31 December 2023 and 31 December 2022 include synthetic costs of 0.03%, 0.03% and 0.03% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

## COMPARATIVE TABLE

## Change in net assets per Share

|   | Accumulation Shares                         |   |   |
|---|---|---|---|
|   | Year to<br>31.12.2024<br>pence<br>per Share | Year to<br>31.12.2023<br>pence<br>per Share | Year to<br>31.12.2022<br>pence<br>per Share |
| Opening net asset value per Share             | 391.12                                      | 341.08                                      | 410.32                                      |
| Return before operating charges*              | 21.34                                       | 52.38                                       | (67.00)                                     |
| Operating charges**                           | (2.60)                                      | (2.34)                                      | (2.24)                                      |
| Return after operating charges*               | 18.74                                       | 50.04                                       | (69.24)                                     |
| Distributions on Accumulation Shares          | (7.71)                                      | (7.67)                                      | (7.98)                                      |
| Retained distributions on Accumulation Shares | 7.71  | 7.67  | 7.98  |
| Closing net asset value per Share             | 409.86                                      | 391.12                                      | 341.08                                      |
| * after direct transaction costs of:          | 0.05  | 0.05  | 0.07  |

## Performance

|                      |       |        |          |
|----------------------|-------|--------|----------|
| Return after charges | 4.79% | 14.67% | (16.87%) |
|----------------------|-------|--------|----------|

## Other information

|                                 |          |          |          |
|---------------------------------|----------|----------|----------|
| Closing net asset value (£'000) | 2,392    | 2,243    | 2,040    |
| Closing number of Shares        | 583,688  | 573,365  | 598,202  |
| Operating charges**             | 0.68%*** | 0.67%*** | 0.67%*** |
| Direct transaction costs        | 0.01%    | 0.01%    | 0.02%    |

## Prices (pence per Share)

|                             |        |        |        |
|-----------------------------|--------|--------|--------|
| Highest Share price (offer) | 425.29 | 391.76 | 412.42 |
| Lowest Share price (bid)    | 377.43 | 337.79 | 313.46 |

The return after charges has been calculated in accordance with the Statement of Recommended Practice for UK Authorised Funds' (SORP) prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed in the Report of the Investment Manager.

\*\* Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the year.

\*\*\* Operating charges includes VAT reclaims received during the year. Industry guidance requires a 'synthetic' operating charge figure to be calculated where a Fund invests a proportion of its assets in other funds. Operating charges as at 31 December 2024, 31 December 2023 and 31 December 2022 include synthetic costs of 0.03%, 0.03% and 0.03% respectively which represent the OCF of the underlying funds weighted on the basis of the investment proportion. Synthetic costs were not included in previous periods.

## OPERATING CHARGES ANALYSIS

for the year ended 31 December 2024

The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

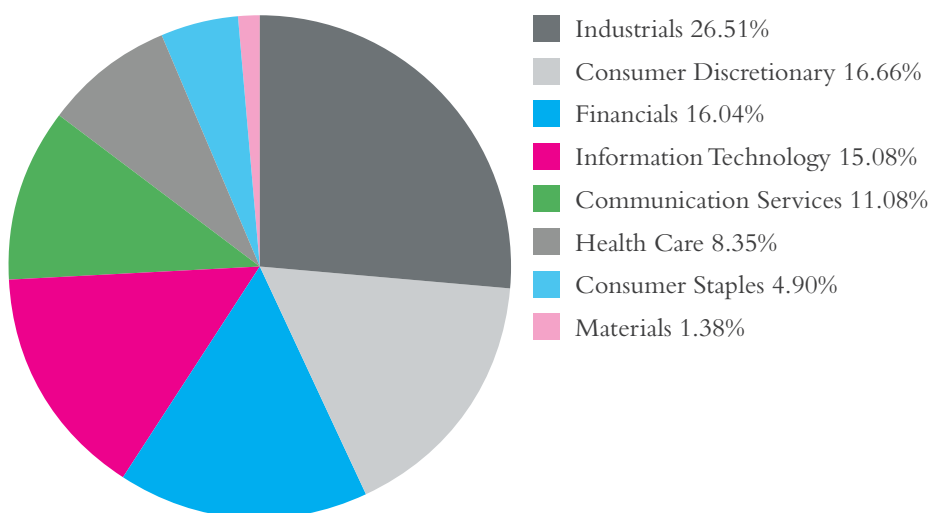
|  | 31.12.2024<br>% | 31.12.2023<br>% |
|--|-----------------|-----------------|
| Manager's annual management charge including VAT | 0.60            | 0.60            |
| Safe custody fees and monitoring fee             | 0.01            | 0.01            |
| Other expenses                                   | 0.04            | 0.03            |
| <b>Total operating charges</b>                   | <b>0.65</b>     | <b>0.64</b>     |



## PORTFOLIO ANALYSIS

at 31 December 2024

### Portfolio Allocation



The portfolio analyses above differ from the following portfolio statement because prices used here are mid-market rather than bid.

## PORTFOLIO STATEMENT

at 31 December 2024

|  | Holding | Fair<br>value<br>£'000 | % of<br>total net<br>assets |
|--|---------|------------------------|-----------------------------|
| <b>UNITED KINGDOM 79.62% (31.12.2023 – 81.73%)</b>         |         |                        |                             |
| <b>Communication Services 9.21% (31.12.2023 – 7.47%)</b>   |         |                        |                             |
| Auto Trader  | 315,601 | 2,491                  | 3.44                        |
| Informa  | 213,953 | 1,707                  | 2.36                        |
| Rightmove  | 384,323 | 2,467                  | 3.41                        |
| <b>Consumer Discretionary 13.43% (31.12.2023 – 14.37%)</b> |         |                        |                             |
| Compass Group  | 101,400 | 2,696                  | 3.73                        |
| Greggs   | 56,506  | 1,564                  | 2.16                        |
| InterContinental Hotels Group                              | 22,302  | 2,220                  | 3.07                        |
| The Berkeley Group Holdings                                | 20,607  | 804                    | 1.11                        |
| Watches of Switzerland Group                               | 434,246 | 2,430                  | 3.36                        |
| <b>Consumer Staples 4.80% (31.12.2023 – 4.58%)</b>         |         |                        |                             |
| Reckitt Benckiser  | 30,190  | 1,459                  | 2.02                        |
| Unilever   | 44,346  | 2,016                  | 2.78                        |
| <b>Financials 10.87% (31.12.2023 – 11.89%)</b>             |         |                        |                             |
| Admiral Group  | 55,390  | 1,464                  | 2.02                        |
| Intermediate Capital Group                                 | 120,761 | 2,493                  | 3.45                        |
| London Stock Exchange Group                                | 24,587  | 2,775                  | 3.84                        |
| Prudential   | 177,689 | 1,132                  | 1.56                        |
| <b>Health Care 5.43% (31.12.2023 – 6.96%)</b>              |         |                        |                             |
| AstraZeneca  | 16,869  | 1,765                  | 2.44                        |
| CVS Group  | 120,455 | 1,012                  | 1.40                        |
| Genus  | 74,331  | 1,151                  | 1.59                        |

## PORTFOLIO STATEMENT

at 31 December 2024

|  | Holding | Fair value<br>£'000 | % of<br>total net<br>assets |
|--|---------|---------------------|-----------------------------|
| <b>Industrials 25.93% (31.12.2023 – 26.67%)</b>          |         |                     |                             |
| Ashtead Group  | 26,046  | 1,292               | 1.79                        |
| Bunzl  | 58,141  | 1,916               | 2.65                        |
| Diploma  | 47,944  | 2,033               | 2.81                        |
| Discoverie Group   | 243,418 | 1,740               | 2.40                        |
| Experian   | 64,208  | 2,212               | 3.06                        |
| Genuit Group   | 293,586 | 1,138               | 1.57                        |
| Intertek Group   | 39,968  | 1,879               | 2.60                        |
| Judges Scientific  | 11,965  | 1,005               | 1.39                        |
| RELX   | 68,923  | 2,501               | 3.46                        |
| Spirax-Sarco Engineering                                 | 22,687  | 1,555               | 2.15                        |
| Volution Group   | 264,721 | 1,482               | 2.05                        |
| <b>Information Technology 8.60% (31.12.2023 – 7.72%)</b> |         |                     |                             |
| Halma  | 74,497  | 2,003               | 2.77                        |
| Sage Group   | 235,474 | 2,996               | 4.14                        |
| Kainos   | 151,242 | 1,222               | 1.69                        |
| <b>Materials 1.35% (31.12.2023 – 2.07%)</b>              |         |                     |                             |
| Croda International                                      | 28,802  | 975                 | 1.35                        |
| <b>OVERSEAS EQUITIES 18.05% (31.12.2023 – 15.82%)</b>    |         |                     |                             |
| <b>DEVELOPED EUROPE 1.13% (31.12.2023 – 0.86%)</b>       |         |                     |                             |
| <b>Consumer Discretionary 1.13% (31.12.2023 – 0.00%)</b> |         |                     |                             |
| LVMH Moët Hennessy Louis Vuitton                         | 1,555   | 817                 | 1.13                        |
| <b>Consumer Staples 0.00% (31.12.2023 – 0.86%)</b>       |         |                     |                             |
| <b>NORTH AMERICA 15.29% (31.12.2023 – 13.96%)</b>        |         |                     |                             |
| <b>Communication Services 1.58% (31.12.2023 – 1.18%)</b> |         |                     |                             |
| Alphabet Class C   | 7,540   | 1,146               | 1.58                        |
| <b>Consumer Discretionary 1.71% (31.12.2023 – 1.20%)</b> |         |                     |                             |
| Amazon.com   | 7,062   | 1,237               | 1.71                        |
| <b>Health Care 2.74% (31.12.2023 – 3.18%)</b>            |         |                     |                             |
| Thermo Fisher Scientific                                 | 2,814   | 1,169               | 1.61                        |
| UnitedHealth Group                                       | 2,018   | 816                 | 1.13                        |

## PORTFOLIO STATEMENT

at 31 December 2024

|  | Holding | Fair<br>value<br>£'000 | % of<br>total net<br>assets |
|--|---------|------------------------|-----------------------------|
| <b>Financials 4.80% (31.12.2023 – 4.35%)</b>                         |         |                        |                             |
| Intercontinental Exchange Group                                      | 8,918   | 1,061                  | 1.47                        |
| S&P Global   | 2,730   | 1,087                  | 1.50                        |
| Visa A   | 5,247   | 1,325                  | 1.83                        |
| <b>Information Technology 4.46% (31.12.2023 – 4.05%)</b>             |         |                        |                             |
| Adobe  | 1,795   | 637                    | 0.88                        |
| Microsoft  | 4,474   | 1,505                  | 2.08                        |
| Synopsys   | 2,794   | 1,082                  | 1.50                        |
| <b>ASIA PACIFIC EX JAPAN 1.63% (31.12.2023 – 1.00%)</b>              |         |                        |                             |
| <b>Information Technology 1.63% (31.12.2023 – 1.00%)</b>             |         |                        |                             |
| Taiwan Semiconductor Manufacturing Company                           | 7,457   | 1,176                  | 1.63                        |
| <b>INFRASTRUCTURE &amp; OPERATING<br/>0.72% (31.12.2023 – 0.83%)</b> |         |                        |                             |
| Empiric Student Property   | 623,301 | 520                    | 0.72                        |
| <b>PROPERTY 0.96% (31.12.2023 – 1.25%)</b>                           |         |                        |                             |
| Tritax Big Box REIT  | 522,007 | 693                    | 0.96                        |
| <b>INVESTMENT ASSETS</b>   |         | <b>71,866</b>          | <b>99.35</b>                |
| <b>NET OTHER ASSETS</b>  |         | <b>472</b>             | <b>0.65</b>                 |
| <b>TOTAL NET ASSETS</b>  |         | <b>72,338</b>          | <b>100.00</b>               |

All investments, are listed on recognised stock exchanges or traded on or under the rules of an eligible securities market.

**STATEMENT OF TOTAL RETURN**  
for the year ended 31 December 2024

|   | <i>Note</i> | Year ended<br>31.12.2024 |              | Year ended<br>31.12.2023 |              |
|---|-------------|--------------------------|--------------|--------------------------|--------------|
|   |             | £'000                    | £'000        | £'000                    | £'000        |
| Income  |             |                          |              |                          |              |
| Net capital gains   | 2           |                          | 2,437        |                          | 8,245        |
| Revenue   | 3           | 1,429                    |              | 1,443                    |              |
| Expenses  | 4           | (467)                    |              | (435)                    |              |
| Net revenue before taxation   |             | 962                      |              | 1,008                    |              |
| Taxation  | 5           | (8)                      |              | 16                       |              |
| Net revenue after taxation  |             |                          | 954          |                          | 1,024        |
| <b>Total return before distributions</b>  |             |                          | <b>3,391</b> |                          | <b>9,269</b> |
| Distributions   | 6           |                          | (2,465)      |                          | (2,369)      |
| <b>Change in net assets attributable to Shareholders from investment activities</b> |             |                          | <b>926</b>   |                          | <b>6,900</b> |

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the year ended 31 December 2024

|  | Year ended<br>31.12.2024 |               | Year ended<br>31.12.2023 |               |
|--|--------------------------|---------------|--------------------------|---------------|
|  | £'000                    | £'000         | £'000                    | £'000         |
| Opening net assets attributable to Shareholders                              |                          | 70,679        |                          | 64,683        |
| Amounts receivable on issue of Shares  | 1,008                    |               | 142                      |               |
| Amounts payable on cancellation of Shares                                    | (319)                    |               | (1,092)                  |               |
|  |                          | 689           |                          | (950)         |
| Change in net assets attributable to Shareholders from investment activities |                          | 926           |                          | 6,900         |
| Retained distributions on Accumulation Shares                                |                          | 44            |                          | 46            |
| <b>Closing net assets attributable to Shareholders</b>                       |                          | <b>72,338</b> |                          | <b>70,679</b> |

The notes on pages 31 to 45 and the distribution tables on page 46 form part of these financial statements.

**BALANCE SHEET**  
at 31 December 2024

|  | <i>Note</i> | 31.12.2024 |               | 31.12.2023 |               |
|--|-------------|------------|---------------|------------|---------------|
|  |             | £'000      | £'000         | £'000      | £'000         |
| <b>ASSETS</b>                                  |             |            |               |            |               |
| Fixed assets:                                  |             |            |               |            |               |
| Investments                                    |             |            | 71,866        |            | 70,419        |
| Current assets:                                |             |            |               |            |               |
| Debtors  | 7           | 70         |               | 111        |               |
| Cash equivalents                               | 8           | 400        |               | —          |               |
| Cash and bank balances                         | 8           | 664        |               | 804        |               |
| Total current assets                           |             |            | 1,134         |            | 915           |
| <b>Total assets</b>                            |             |            | <b>73,000</b> |            | <b>71,334</b> |
| <b>LIABILITIES</b>                             |             |            |               |            |               |
| Creditors:                                     |             |            |               |            |               |
| Other creditors                                | 9           | 56         |               | 51         |               |
| Distribution payable on Income Shares          |             | 606        |               | 604        |               |
| Total creditors                                |             |            | 662           |            | 655           |
| <b>Total liabilities</b>                       |             |            | <b>662</b>    |            | <b>655</b>    |
| <b>Net assets attributable to Shareholders</b> |             |            | <b>72,338</b> |            | <b>70,679</b> |

The financial statements on pages 29 to 46 have been approved by the Board.

Approved on behalf of the Trustee  
21 May 2025

A Brookes, Chair  
CBF Funds Trustee Limited

The notes on pages 31 to 45 and the distribution tables on page 46 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 1. Accounting policies

##### *(a) Basis of preparation*

The financial statements have been prepared on a basis other than that of a going concern, as a result of the Trustee's decision to wind up the Fund. This basis includes, where applicable, writing the Fund's assets down to net realisable value. No provision has been made for the future cost of terminating the Fund unless such costs were committed at the reporting date. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of these financial statements and applicable accounting standards have been followed.

The financial statements have been prepared in compliance with FRS 102, the Scheme Information, The Church Funds Investment Measures Act 1958 and the Trustee Act 2000.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and investment liabilities.

The Fund is exempt from preparing a statement of cash flows under FRS 102 and the Church Funds Investment Measure Act 1958 substantially all of the Fund's investments are highly liquid, substantially all of the Fund's investments are carried at market value and the Fund provides a statement of change in net assets.

On 30 June 2025, the Manager will close the Fund. This outcome has been reached following a detailed review of the Fund and consultation with CBF Funds Trustee Limited, which is responsible for the operation of the Fund. In recent years, the Fund has experienced more outflows than inflows and market trends have indicated that investors are more focused on global equity products, which have the benefit of greater diversification and have generally performed better. As a result, the Manager no longer believe that the fund has any future growth prospects. Investors were sent a letter on 1 April 2025, notifying them of the closure. On the same date, subscriptions into the Fund were suspended for orderly operational closure and minimal client impact. On the date of closure, any remaining investors will be redeemed. The Manager will then windup the Fund.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 1. Accounting policies (*continued*)

##### (b) *Revenue recognition*

Dividends on investments, including special dividends where appropriate are accrued to revenue on the dates when the investments are first quoted ex-dividend or otherwise on receipt of cash. Interest on bank deposits are accrued on a daily basis and interest on deposits in The Public Sector Deposit Fund are credited to revenue on an accrual basis.

Revenue is stated net of irrecoverable tax credits. In the case where revenue is received after the deduction of withholding tax, the revenue is shown gross of taxation and the tax consequences are shown within the tax charge. Overseas tax recovered is recorded in the period it is received.

##### (c) *Stock dividends*

The ordinary element of stock received in lieu of cash dividends is recognised as revenue of the Fund. Any enhancement above the cash dividend is treated as capital.

##### (d) *Special dividends, share buy-back or additional share issue*

The underlying circumstances behind a special dividend, share buy-back or additional share issue are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature.

It is likely that where the receipt of a special dividend, share buy back, additional share issues results in a significant reduction in the capital value of the holding, then the special dividend, share buy back, additional share issue is treated as capital in nature so as to ensure the matching principle is applied to gains and losses. Otherwise, the special dividend, share buy back, traditional share issue is treated as revenue.

##### (e) *Expenses*

During the year, the annual management charge (AMC), paid to the Manager, was taken to the capital of the Fund. The AMC is based on a fixed percentage of the value of the Fund and was 0.50% pa plus VAT.

On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the AMC due. The Manager charges an AMC for the provision of managing investments. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services.

The depositary fee, audit fee, legal fees, safe custody fees and transaction charges, insurance fees and other fees are charged separately to the revenue of the Fund before distribution.



## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 1. Accounting policies (*continued*)

##### (f) *Distributions*

Distributions are paid quarterly and can also be supported by the Fund's capital.

A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

The Fund can utilise an income reserve to even out the fluctuations in revenue which arise over the years. Movements in the income reserve are therefore adjustments made to net revenue in determining the distributions. The income reserve was £nil as at 31 December 2024. There was no change in the income reserve balance during the current and prior reporting period.

##### (g) *Basis of valuation*

Quoted investments are valued at bid-market values as at close of business on the last business day of the accounting period.

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.

##### (h) *Foreign exchange*

Transactions in foreign currencies during the period are translated into Sterling (the functional currency of the Fund), at the rates of exchange ruling on the transaction date. Amounts held in foreign currencies have been translated at the rate of exchange ruling as at close of business on 31 December 2024, the last business day in the accounting period.

The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates. Fluctuations in the value of such forward currency contracts are recorded as unrealised gains or losses. Realised gains or losses include net gains or losses on transactions that have terminated by settlement or by the Fund entering into offsetting commitments.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 1. Accounting policies (*continued*)

##### (i) *Cash equivalents*

The Manager has treated some assets as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

- highly liquid investments held in sterling that are readily convertible to a known amount of cash;
- are subject to an insignificant risk of change in value; and
- provide a return no greater than the rate of a three month high quality government bond.

#### 2. Net capital gains

|  | Year ended<br>31.12.2024<br>£'000 | Year ended<br>31.12.2023<br>£'000 |
|--|-----------------------------------|-----------------------------------|
| The net capital gains/(losses) during the year comprise: |                                   |                                   |
| Realised gains on non-derivative securities*             | 3,290                             | 2,735                             |
| Unrealised (losses)/gains on non-derivative securities*  | (857)                             | 5,466                             |
| Currency gains   | 4                                 | 44                                |
|  | <b>2,437</b>                      | <b>8,245</b>                      |

\* Where net realised gains include gains/(losses) arising in previous reporting periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

#### 3. Revenue

|  | Year ended<br>31.12.2024<br>£'000 | Year ended<br>31.12.2023<br>£'000 |
|--|-----------------------------------|-----------------------------------|
| Overseas dividends                                 | 163                               | 157                               |
| UK dividends                                       | 1,146                             | 1,160                             |
| Interest on the CCLA Public Sector Deposit Fund    | 25                                | –                                 |
| Interest on The CBF Church of England Deposit Fund | –                                 | 36                                |
| Property income distributions                      | 62                                | 58                                |
| Bank interest                                      | 33                                | 30                                |
| Manager's annual management charge rebate*         | –                                 | 2                                 |
|  | <b>1,429</b>                      | <b>1,443</b>                      |

\* This amount represents the annual management charge rebates credited to the Fund's revenue for the Fund's deposit in The CBF Church of England Deposit Fund where the annual management charge is charged to revenue.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2024

4. Expenses

|  | Year ended<br>31.12.2024<br>£'000 | Year ended<br>31.12.2023<br>£'000 |
|--|-----------------------------------|-----------------------------------|
| Payable to the Manager, associates of the Manager<br>and agents of either of them: |                                   |                                   |
| Manager's annual management charge – see note 1(e)                                 | 432                               | 405                               |
|  | 432                               | 405                               |
| Payable to the Trustee, associates of the Trustee<br>and agents of either of them: |                                   |                                   |
| Monitoring fee   | 7                                 | 6                                 |
| Safe custody fees  | 3                                 | 3                                 |
|  | 10                                | 9                                 |
| Other expenses:  |                                   |                                   |
| Audit fee  | 10                                | 10                                |
| Insurance fee  | 1                                 | 1                                 |
| Other fees   | 14                                | 10                                |
|  | 25                                | 21                                |
| Total expenses   | 467                               | 435                               |

Audit fee net of VAT is £9,100 (31.12.2023, £8,750).

The above expenses include VAT where applicable.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 5. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to Shareholders on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue, on receipt.

|   | Year ended<br>31.12.2024<br>£'000 | Year ended<br>31.12.2023<br>£'000 |
|---|-----------------------------------|-----------------------------------|
| Overseas taxation suffered in the year                                  | 8                                 | 1                                 |
| Overseas recoverable withholding tax (windfall)/written off in the year | –                                 | (17)                              |
| Total taxation  | 8                                 | (16)                              |

#### 6. Distributions

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

|   | Year ended<br>31.12.2024<br>£'000 | Year ended<br>31.12.2023<br>£'000 |
|---|-----------------------------------|-----------------------------------|
| 31 March – interim distribution                 | 617                               | 570                               |
| 30 June – interim distribution                  | 626                               | 572                               |
| 30 September – interim distribution             | 609                               | 612                               |
| 31 December – final distribution                | 614                               | 611                               |
|   | 2,466                             | 2,365                             |
| Add: revenue deducted on cancellation of Shares | 1                                 | 4                                 |
| Deduct: revenue received on issue of Shares     | (2)                               | –                                 |
| Net distribution for the year                   | 2,465                             | 2,369                             |
| Net revenue after taxation for the year         | 954                               | 1,024                             |
| Distributions from capital                      | 1,079                             | 940                               |
| Manager's periodic charge – see note 1(e)       | 432                               | 405                               |
| Net distribution for the year                   | 2,465                             | 2,369                             |

Details of the distribution per Share are set out in the distribution tables on page 46.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2024

6. Distributions (*continued*)

The Manager's annual management charge is charged to capital, so this amount is added back in the table above to the net distribution for the year and deducted from capital.

There were no unclaimed distributions as at 31 December 2024 (31.12.2023, £289).

7. Debtors

|                        | 31.12.2024<br>£'000 | 31.12.2023<br>£'000 |
|------------------------|---------------------|---------------------|
| Accrued revenue        | 70                  | 107                 |
| Income tax recoverable | –                   | 4                   |
|                        | 70                  | 111                 |

8. Cash equivalents, cash and bank balances

|  | 31.12.2024<br>£'000 | 31.12.2023<br>£'000 |
|--|---------------------|---------------------|
| Cash equivalents – cash in The CCLA Public Sector Deposit Fund | 400                 | –                   |
| Cash and bank balances – cash at bank                          | 664                 | 804                 |

9. Other creditors

|                  | 31.12.2024<br>£'000 | 31.12.2023<br>£'000 |
|------------------|---------------------|---------------------|
| Accrued expenses | 56                  | 51                  |
|                  | 56                  | 51                  |

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 10. Financial instruments

##### *Fair value*

Securities held by the Fund are valued at bid-market value (see note 1(g)). Bid-market value is considered to be a fair representation of the amount repayable to Shareholders should they wish to sell their Shares. 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 consistently throughout the year and the comparative year.

##### *Market price risk*

This is an actively managed Fund which invests mainly in UK and overseas equities. 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 Share price from time to time, although there will generally be a positive correlation in the movement of the Share 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.

At 31 December 2024, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would increase or decrease respectively by approximately £3,593,000 (31.12.2023, £3,521,000).

##### *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.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 10. Financial instruments (continued)

##### *Liquidity risk*

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, sterling and overseas cash deposits. These assets are generally liquid and enable the Fund to meet the payment of any redemption of Shares that Shareholders may wish to make.

##### *Currency risk*

The Fund is exposed to fluctuations in foreign currencies as some of its assets and revenue are denominated in currencies other than sterling, the base currency of the Fund. The Fund may enter into forward currency contracts to protect the sterling value of the underlying portfolio of securities against the effect of possible adverse movements in foreign exchange rates on investments and revenue accrued, but not yet received. In respect of revenue, receipts are converted to sterling shortly after receipt.

At 31 December 2024, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Shareholders, and profit or loss, would decrease or increase respectively by approximately £131,000 (31.12.2023, increase or decrease respectively by £112,000).

The total foreign currency exposure at 31 December 2024 and 31 December 2023 was:

| Currency  | 31.12.2024                     |  |                | 31.12.2023                     |  |                |
|-----------|--------------------------------|--|----------------|--------------------------------|--|----------------|
|           | Monetary<br>exposures<br>£'000 | Non-<br>monetary<br>exposures<br>£'000 | Total<br>£'000 | Monetary<br>exposures<br>£'000 | Non-<br>monetary<br>exposures<br>£'000 | Total<br>£'000 |
| Euro      | –                              | 817                                    | 817            | –                              | 608                                    | 608            |
| US dollar | 6                              | 12,242                                 | 12,248         | 17                             | 10,578                                 | 10,595         |
| Total     | 6                              | 13,059                                 | 13,065         | 17                             | 11,186                                 | 11,203         |

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 10. Financial instruments (continued)

##### Interest rate risk

The majority of the Fund's financial assets are equities which neither receive interest nor have maturity dates. The Fund also invests in cash deposits, the revenue of which may be affected by changes to interest rates relevant to cash deposits or as a result of the Manager being unable to secure similar returns following the withdrawal of the cash deposits.

A sensitivity analysis for interest rate risk is not shown as the impact is unlikely to be significant.

The total exposure at 31 December 2024 was:

| Currency     | Floating rate<br>financial assets*<br>£'000 | Financial assets<br>not carrying<br>interest<br>£'000 | Total<br>£'000 |
|--------------|---|---|----------------|
| Sterling     | 1,064                                       | 58,871  | 59,935         |
| Euro         | —   | 817   | 817            |
| US dollar    | —   | 12,248  | 12,248         |
| <b>Total</b> | <b>1,064</b>                                | <b>71,936</b>   | <b>73,000</b>  |

| Currency     | Floating rate<br>financial<br>liabilities<br>£'000 | Financial<br>liabilities<br>not carrying<br>interest<br>£'000 | Total<br>£'000 |
|--------------|--|---|----------------|
| Sterling     | —  | 662   | 662            |
| <b>Total</b> | <b>—</b>   | <b>662</b>  | <b>662</b>     |

The total exposure at 31 December 2023 was:

| Currency     | Floating rate<br>financial assets*<br>£'000 | Financial assets<br>not carrying<br>interest<br>£'000 | Total<br>£'000 |
|--------------|---|---|----------------|
| Sterling     | 804   | 59,327  | 60,131         |
| Euro         | —   | 608   | 608            |
| US dollar    | —   | 10,595  | 10,595         |
| <b>Total</b> | <b>804</b>                                  | <b>70,530</b>   | <b>71,334</b>  |



## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 10. Financial instruments (continued)

##### Interest rate risk (continued)

| Currency | Floating rate<br>financial<br>liabilities<br>£'000 | Financial<br>liabilities<br>not carrying<br>interest<br>£'000 | Total<br>£'000 |
|----------|--|---|----------------|
| Sterling | —  | 655   | 655            |
| Total    | —  | 655   | 655            |

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

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

#### 11. Commitments and contingent liabilities

There were no commitments or contingent liabilities as at 31 December 2024 (31.12.2023, £nil).

#### 12. Related party transactions

The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts incurred in respect of this inclusive of annual management charge rebates are disclosed in note 4. Please see note 1(e) for further information. An amount of £38,894 was due to the Manager at 31 December 2024 (31.12.2023, £35,474).

There were no other transactions entered into with the Manager during the year (31.12.2023, £nil).

CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 31 December 2024 (31.12.2023, £nil). There were no other transactions entered into with CBFFT during the year (31.12.2023, £nil).

At 31 December 2024, a cash balance of £nil (31.12.2023, £nil) was held in The CBF Church of England Deposit Fund. During the year the Fund received interest of £nil (31.12.2023, £35,821) from The CBF Church of England Deposit Fund.

At 31 December 2024, a cash balance of £400,000 (31.12.2023, £nil) was held in The CCLA Public Sector Deposit Fund. During the year the Fund received interest of £25,080 (31.12.2023, £nil) from The CCLA Public Sector Deposit Fund.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

12. Related party transactions (*continued*)*Interest rate risk (continued)*

At 31 December 2024, CBF Church of England Investment Fund held 81.91% (31.12.2023, 82.76%) of the value of the Fund.

There is no individual investor holding more than 20% of the Fund.

## 13. Portfolio transaction costs

For the year ended 31 December 2024

|  | Value<br>£'000 | Commissions<br>£'000 | %    | Taxes<br>£'000 | %    | Total<br>£'000 |
|--|----------------|----------------------|------|----------------|------|----------------|
| <b>Analysis of total purchases costs</b> |                |                      |      |                |      |                |
| Equity transactions                      | 10,541         | 3                    | 0.03 | 3              | 0.03 | 10,547         |
| <b>Total</b>                             | <b>10,541</b>  | <b>3</b>             |      | <b>3</b>       |      | <b>10,547</b>  |

|                                      | Value<br>£'000 | Commissions<br>£'000 | %    | Taxes<br>£'000 | % | Total<br>£'000 |
|--------------------------------------|----------------|----------------------|------|----------------|---|----------------|
| <b>Analysis of total sales costs</b> |                |                      |      |                |   |                |
| Equity transactions                  | 11,536         | (3)                  | 0.03 | —              | — | 11,533         |
| <b>Total</b>                         | <b>11,536</b>  | <b>(3)</b>           |      | <b>—</b>       |   | <b>11,533</b>  |

Commissions and taxes as a percentage of average net assets

Commissions 0.01%

Taxes 0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2024 was 0.16%.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 13. Portfolio transaction costs (*continued*)

For the year ended 31 December 2023

|  | Value<br>£'000 | Commissions<br>£'000 | %    | Taxes<br>£'000 | % | Total<br>£'000 |
|--|----------------|----------------------|------|----------------|---|----------------|
| <b>Analysis of total purchases costs</b> |                |                      |      |                |   |                |
| Equity transactions                      | 10,463         | 4                    | 0.04 | —              | — | 10,467         |
| Total                                    | 10,463         | 4                    |      | —              |   | 10,467         |

|                                      | Value<br>£'000 | Commissions<br>£'000 | %    | Taxes<br>£'000 | % | Total<br>£'000 |
|--------------------------------------|----------------|----------------------|------|----------------|---|----------------|
| <b>Analysis of total sales costs</b> |                |                      |      |                |   |                |
| Equity transactions                  | 12,014         | (5)                  | 0.04 | —              | — | 12,009         |
| Total                                | 12,014         | (5)                  |      | —              |   | 12,009         |

Commissions and taxes as a percentage of average net assets

Commissions 0.01%

Taxes 0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2023 was 0.19%.

For the current year and the comparative year, in the case of equities, commissions and taxes are paid by the Fund on each transaction. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike equities, the majority of other types of investments (such as bonds, funds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2024

#### 14. Shareholders' funds – reconciliation of Shares

|   | Year ended<br>31.12.2024 |                        |
|---|--------------------------|------------------------|
|   | Income<br>Shares         | Accumulation<br>Shares |
| Opening number of Shares at beginning of year | 34,725,629               | 573,365                |
| Shares issued in year                         | 465,587                  | 22,597                 |
| Shares cancelled in year                      | (135,137)                | (12,274)               |
| Closing number of Shares at end of year       | 35,056,079               | 583,688                |

All Shares carry the same rights.

#### 15. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments, there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2024

15. Fair value of financial assets and financial liabilities (*continued*)

For the year ended 31 December 2024

| Category          | Level 1<br>£000 | Level 2<br>£000 | Level 3<br>£000 | Total<br>£000 |
|-------------------|-----------------|-----------------|-----------------|---------------|
| Investment assets | 71,866          | —               | —               | 71,866        |
|                   | 71,866          | —               | —               | 71,866        |

For the year ended 31 December 2023

| Category          | Level 1<br>£000 | Level 2<br>£000 | Level 3<br>£000 | Total<br>£000 |
|-------------------|-----------------|-----------------|-----------------|---------------|
| Investment assets | 70,419          | —               | —               | 70,419        |
|                   | 70,419          | —               | —               | 70,419        |

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

## DISTRIBUTION TABLES

for the year ended 31 December 2024

| Period ended         | Date payable/paid |             | Dividends payable/paid<br>pence per Share |      |
|----------------------|-------------------|-------------|---|------|
|                      | 2024              | 2023        | 2024                                      | 2023 |
| <b>Income Shares</b> |                   |             |   |      |
| 31 March             | 31 May            | 31 May      | 1.74                                      | 1.59 |
| 30 June              | 30 August         | 31 August   | 1.74                                      | 1.59 |
| 30 September         | 29 November       | 30 November | 1.71                                      | 1.73 |
| 31 December          | 28 February       | 29 February | 1.73                                      | 1.74 |
|                      |                   |             | 6.92                                      | 6.65 |

| Period ended               | Revenue accumulated<br>pence per Share |      |
|----------------------------|--|------|
|                            | 2024                                   | 2023 |
| <b>Accumulation Shares</b> |  |      |
| 31 March                   | 1.29                                   | 1.77 |
| 30 June                    | 3.30                                   | 3.12 |
| 30 September               | 1.91                                   | 1.53 |
| 31 December                | 1.21                                   | 1.25 |
|                            | 7.71                                   | 7.67 |

The distributions for Income Shares were paid in the same year, apart from the distribution declared on 31 December which is payable on the 28 February in the subsequent 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 from time to time) and the Trustee Act 2000 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 agree their terms of engagement;
- determine the rate of remuneration of the Manager in accordance with the Church Funds Investment Measure 1958 and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 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 Church Funds Investment Measure 1958 and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Church Funds Investment Measure 1958;
- make distributions to investors holding Income Shares and make allocations to investors holding Accumulation Shares in proportion to their respective Share in the property of the Fund; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.

## STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

**Preparation of financial statements**

The Trustee of the Fund is required, by the Church Funds Investment Measure 1958, to prepare Financial Statements which give a true and fair view of the financial position of the Fund at each interim and year end valuation date. The net revenue for the year, together with a report on the operation of the Fund, is also required.

The financial statements show the net asset value of the Shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per Share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the Church Funds Investment Measure 1958. In preparing the financial statements, 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 FRS 102;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the financial statements, as prepared, comply with the above requirements;

- makes judgments and estimates that are prudent and reasonable; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Church Funds Investment Measure 1958 and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Church Funds Investment Measure 1958.

**Manager responsibilities**

The Manager is required to carry out these duties in accordance with the Church Funds Investment Measure 1958 and take reasonable steps for the prevention and detection of fraud and other irregularities.



**CBF Funds Trustee Limited**  
(Charity Registration No. 1116932)

## DIRECTORY

### Trustee Directors

A Brookes (Chair)  
C Chan\*  
P Chandler  
O Home  
C Johnson  
A Milligan\*  
M Orr\*  
D Rees\*  
*\* Members of the Audit Committee*

### Manager and Registrar

CCLA Investment Management Limited  
Registered Office Address:  
One Angel Lane  
London  
EC4R 3AB  
Telephone: 0207 489 6000  
Client Service:  
Freephone: 0800 022 3505  
Email: [clientservices@ccla.co.uk](mailto:clientservices@ccla.co.uk)  
[www.ccla.co.uk](http://www.ccla.co.uk)  
*Authorised and regulated by the Financial Conduct Authority*

### Transfer Agent

FNZ TA Services Limited  
7th Floor, 2 Redman Place  
London  
E20 1JQ  
*Authorised and regulated by the Financial Conduct Authority*

### Administrator

HSBC Bank plc  
8 Canada Square  
Canary Wharf  
London  
E14 5HQ  
*HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority*

### Executive Directors of the Manager

P Hugh Smith (Chief Executive Officer)  
E Sheldon (Chief Operating Officer)  
A Robinson, MBE (Director Market Development)

### Non-Executive Directors of the Manager

R Horlick (Chair)  
J Jesty  
C Johnson  
A Roughead  
C West  
J Hobart

### Fund Manager

C Ryland

### Company Secretary

M Mochalska  
J Fox (retired 31 March 2025)

### Chief Risk Officer

J-P Lim

### Head of Sustainability

J Corah

### Third Party Advisers

#### Banker

HSBC Bank plc  
8 Canada Square  
Canary Wharf  
London  
E14 5HQ

#### Custodian

HSBC Bank plc  
8 Canada Square  
Canary Wharf  
London  
E14 5HQ

#### Independent Auditor

Deloitte LLP  
110 Queen Street  
Glasgow  
G1 3BX

## ABOUT CCLA

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Founded in 1958, CCLA is the largest fund manager for charities in the UK based on the number of charities invested with us. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This means we must provide a supportive and stable environment for our staff, and deliver trusted, responsibly managed products and services to our clients, irrespective of their size.



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