CCLA Investment Management Limited

ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2021

CCLA

GOOD INVESTMENT

CCLA provides investment management products and services to charities, religious organisations and the public sector.

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

CCLA

GOOD INVESTMENT

Contents

[1] These sections comprise CCLA's Strategic Report
[2] These sections comprise CCLA's Directors' Report

Disability Discrimination Act 1995
Extracts from the Annual Report & Audited Financial Statements are available in large print and audio formats and can be requested from Alison.Jermey@ccla.co.uk.

Activities and Objectives

The Directors submit their report and audited consolidated financial statements for the year ended 31 March 2021. The consolidated financial statements for CCLA include the results of the Company and its wholly-owned subsidiary, CCLA Fund Managers Limited ('CCLA FM').

The Company is a private company limited by shares, registered in England and Wales and incorporated in the United Kingdom.

CCLA provides investment management products and services to charities, Church of England organisations and the public sector. We were established over sixty years ago to provide both large and small investors in these sectors access to investment markets in an efficient and professional manner. CCLA is predominately owned by funds managed on behalf of our clients.

Our client base is as follows:

Type of client	Funds under management at 31 March 2021	Funds under management at 31 March 2020
Charities	£7,292m (58.2%)	£5,561m (56.8%)
Church of England organisations	£2,769m (22.1%)	£2,344m (24.0%)
Local authority and public sector	£2,473m (19.7%)	£1,882m (19.2%)
Total	**£12,534m**	**£9,787m**

Our products and services are designed to address the investment needs of our clients and help them maximise the return on their short and long-term funds.

Fund type	Funds under management at 31 March 2021	Funds under management at 31 March 2020
Mixed funds	£9,032m	£6,662m
Short-term cash funds	£3,227m	£2,580m
Property funds	£1,795m	£1,846m
Other specialist funds	£610m	£507m

Cross-holding by funds and segregated clients' use of in-house funds means that fund type totals exceed total funds under management.

A combination of strong investment performance, attractive products and effective marketing and sales has resulted in good net new fund flows. This represents a core Key Performance Indicator ('KPI').

Fund flows by fund type	Year to 31 March 2021 £m	Year to 31 March 2020 £m
Mixed funds	712	741
Short-term cash funds	825	173
Property funds	(26)	112
Other specialist funds	(3)	(19)
Total	**1,508**	**1,007**

As well as managing investments for large investors, we also look after many small charities, recognising that they would find it difficult, if not impossible, to address their needs elsewhere.

Size of client	Number of clients	Funds under management	Average client size
£0 to £10,000	11,600	£41m	£3,530
£10,000 to £500,000	20,100	£1,680m	£83,700
£500,000 to £5,000,000	1,810	£2,780m	£1,540,000
Over £5,000,000	492	£8,980m	£18,300,000

Client numbers exclude nil balances and all figures above are approximate and have been rounded to three significant figures.

Type of client	Number of clients	Number of client accounts
Charities	21,500	36,600
Church of England organisations	11,700	42,100
Local authority and public sector	851	1,480
Total	**34,100**	**80,200**

Client and account numbers exclude nil balances, and all figures above have been rounded to three significant figures, including the totals.

The majority of our clients invest with us though our pooled funds. We also provide segregated portfolio management for a small number of large clients. Further details about our products and services are available on our website www.ccla.co.uk.

Our approach to investment management

Our clients require us to deliver strong total returns that are consistent with their cash flow, risk tolerance and ethical requirements. For clients with a short-term perspective, preservation of nominal capital is paramount. For those with a long-term timescale, the preservation of real, after inflation capital dominates. For most of our clients, the delivery of good income flows and distributions are a core part of their requirements, allowing them to fund their day-to-day purposes. For most of our mixed funds, distributions are delivered on a total return basis, whereas for our property and cash funds distributions are delivered on a traditional income basis.

The distribution rate varies between individual funds, but for our largest long-term funds is as follows:

	Fund size at 31 December 2020 £m	Distribution for the year to 31 December 2020 £m	Fund yield 31 December 2020 %	Fund yield 31 December 2019 %
Income and accumulation				
COIF Charities Investment Fund	3,417	87.6	2.91	3.03
The CBF Church of England Investment Fund	1,790	49.3	2.84	2.95
COIF Charities Ethical Investment Fund	1,210	31.3	3.00	3.13
Income				
Local Authorities Property Fund	1,173	52.5	4.49	4.34
COIF Charities Property Fund	591	28.3	4.70	5.49
Diversified Income Fund	178	5.9	3.36**	3.15**

**Dividend yield on price relates to unit class 2.

In respect of the year to 31 December 2020, CCLA long-term and cash funds distributed a total of £289m (year to 31 December 2019: £288m) to our clients to support their work. The maintenance and growth of long-term fund distributions per share for our mixed funds is a core KPI.

Our flagship pooled mixed funds for charities and Church of England organisations have performed strongly against comparators and competitors.

This outperformance has meant that our clients have significantly more capital than if they had invested in the average charity mixed fund. The performance of these funds is a core KPI.

Fund performance	Year to 31 December 2020 %	2019 %	2018 %	2017 %	2016 %	Cumulative five year performance %
COIF Charities Investment Fund	9.78	21.64	0.58	12.45	14.36	72.72
The CBF Church of England Investment Fund	10.20	22.41	1.81	12.76	15.28	78.52
COIF Charities Ethical Investment Fund	9.76	22.18	0.48	11.80	14.43	72.41
ARC Steady Growth Charity Index***	3.54	15.64	(4.85)	9.44	12.59	40.39

Source: CCLA

***The ARC Steady Growth Charity Index is one of four indices compiled by Asset Risk Consultants (ARC) and incorporates portfolio performance data from over 30 leading charity investment managers.

Performance shown after costs and charges. Past performance is not a reliable indicator of future results.

To deliver these returns, we invest in good businesses being managed on a sustainable basis and avoid taking uncompensated risks. Except where we wish to gain exposure to specialist areas such as infrastructure, we manage our funds by investing directly in underlying securities and property. This reduces costs and allows us to manage investment and ethical risk more accurately. We are committed active managers, taking a global approach to equity investment and are comfortable to be at significant variance with market capitalisation indices where it is in the best interests of clients.

For some of our clients, ethics is core to their purpose, but for all clients it is an important part of protecting their reputation. Whatever the motivation, we aim to deliver strong and competitive investment returns whilst respecting these ethics.

Improving corporate behaviour through engagement is an important part of maximising long-term sustainable investment returns as well as supporting the work of our clients. Through the reporting year, we engaged with 445 companies (2020: 525) on topics including childhood obesity, modern day slavery in supply chains, mental health, the risk of stranded fossil fuel assets and poorly aligned executive pay.

CCLA is a signatory to the Principles of Responsible Investment ('PRI'). The PRI is a United Nations-backed initiative that aims to be the world's leading proponent of responsible investment.

All PRI signatories are assessed annually on their approach to integrating Environmental, Social and Governance ('ESG') factors into their investment process and their approach to being an active owner of the companies they invest in. Scores are awarded from A-E and released at the end of the second quarter of the year. The assessment process requires PRI signatories to provide a detailed on-line submission on every aspect of their policies, how they have been implemented, and what has been achieved during the year. It also requires supporting evidence for the claims made and verification. Some signatories are audited every year on their responses. Due to its detail and rigour the PRI Assessment process is widely considered to be the best benchmark for assessing investors' and managers' commitment and capabilities in responsible investment.

In 2020, CCLA were awarded the highest grade (A+) for all of our mandatory reporting areas. This included: our responsible investment strategy, active ownership, ESG integration in listed equity and property investment processes. Our full assessment report is available on our website. Our PRI grades are a core KPI.

CCLA recognises the ability for climate change to affect the value of investments and publicly supports the findings of the Taskforce on Climate Related Financial disclosure. We publish details of our approach to managing the risks and opportunities associated with the transition to a low carbon economy in our annual Responsible Investment Report. For the duration of the financial year CCLA was a tier one signatory to the Stewardship Code and we disclose comprehensive details in our annual Responsible Investment Report.

Client service and administration

To serve our clients well we need to have a good understanding of their circumstances, aims and challenges. Whilst investment performance dominates their interest, our clients also require efficient administration and an effective and satisfying relationship.

With such a large client base, we provide a differentiated service depending upon the needs of the clients. For those with the simplest requirements, we have an experienced in-house team of client service staff able to answer client questions. We have 15 members of staff available to talk to these clients, and a further 14 members of staff processing their instructions. Over the last twelve months, we have processed 58,595 client instructions.

Whilst we do our best to avoid errors, from time to time they occur and sometimes lead to complaints. These are closely monitored to identify whether there are any themes which identify areas where controls need to be improved.

Over the last twelve months there were a total of 119 errors, which equates to approximately 1 error for every 492 instructions (0.2%). As a result of these errors, CCLA received six upheld complaints (as defined in the Financial Conduct Authority ('FCA') Handbook), which equates to approximately 1 complaint for every 9,765 instructions (0.01%). Of the errors, 17 required compensation totalling £21,000. Additionally, over the same period, CCLA had two breaches that required notification to the FCA. Our error, complaint and breach levels are core KPIs.

For the largest number of our clients, we have an execution only relationship, where we provide information and guidance about our pooled funds. For those with more than £2m to invest, we can provide a discretionary investment management service limited to our own funds. For those with more than £10m to invest, we are able to provide a fully segregated portfolio management service.

We also provide one-off advice about our funds for clients where they need more than guidance about their circumstances.

Our shareholders

CCLA's shareholders are dominated by the funds we manage.

Owner of Voting and Non-Voting Ordinary Shares as at 31 March 2021	Number of shares	Percentage of shares
The CBF Church of England Investment Fund	13,000,000	53.69%
COIF Charities Investment Fund	5,416,700	22.37%
The Local Authorities Mutual Investment Trust (LAMIT)	3,250,000	13.42%
Current and former Executive Directors	1,982,343	8.19%
CCLA Employee Share Trust	506,759	2.09%
CCLA Share Incentive Plan	57,898	0.24%
Total	**24,213,700**	**100.00%**

Current and former Executive Directors acquired their shares under a Long Term Incentive Plan which is disclosed in detail on page 86. Employees granted deferred bonuses have the option of linking the value of their deferred bonus to CCLA shares, in which case they receive CCLA shares when they vest. This scheme is disclosed in more detail on pages 76 to 77.

In May 2018, CCLA established an Employee Share Trust in order to provide a mechanism to satisfy sales and grants under the deferred bonus scheme and Long Term Incentive Plan without calling on the three major shareholders. The CCLA Share Incentive Plan commenced in April 2020, a tax-approved plan giving employees the opportunity to acquire shares in the Company.

For the major shareholders, their investment in CCLA is small compared with the size of their funds. For the CBF Church of England Investment Fund, it represents 2.64% and for the COIF Charities Investment Fund 0.56%. The nature of this relationship means what is in the long term interests of the clients is not in conflict with maximising the value of CCLA.

Since our incorporation, the major shareholders have put in place arrangements to ensure that, despite the size of their individual shareholding, no one of them could control CCLA. This was designed to protect minority shareholders, ensure that CCLA is not dominated by the interests or perspective of any one shareholder and to protect CCLA's long-term independence. This independence and self-determination has enabled CCLA to operate in a manner that is in the long-term best interests of all its clients irrespective of their size.

Our ability to deliver the service and long-term returns required by clients requires predictability and stability. Our ownership is a major contributor to this, as is the strength of our financial position. We are keen to ensure that our position and activities would not be compromised in difficult circumstances such as an extended bear market. This requires a secure level of profitability and a strong capital buffer.

As at the date of signing of this Annual Report, CCLA has a provisional assessment of its regulatory capital requirement and internal capital target, based on these financial statements as at 31 March 2021. Both the requirement and target are subject to change, but the description and table which follow are based upon this provisional assessment.

CCLA has a target minimum regulatory capital of 150% (provisional) of our minimum regulatory capital requirement. This target has been set to ensure that under all reasonable circumstances, CCLA would not be required to ask its shareholders for more capital. A core KPI is the level of our regulatory capital compared with our target minimum regulatory capital, and this position has remained strong over the last year as detailed below:

Position as at 31 March	**2021** **£'000**	**2020** **£'000**
Shareholder funds	36,915	32,617
Regulatory capital following the audit	34,985	30,246
Regulatory capital requirement*	15,096	6,750
Surplus over minimum regulatory capital*	19,889	23,496
Target minimum regulatory capital*	22,644	18,200
Surplus over target minimum regulatory capital*	12,341	12,046

*Provisional for 2021.

The regulatory capital requirement (provisional) stated above is calculated as part of the Group's Internal Capital Adequacy Assessment Process (as defined in the FCA's rules). Our Pillar 1 capital requirement is £7,493,000 (2020: £6,750,000) and our Pillar 2 capital requirement (provisional) has been calculated as £15,096,000 (2020: £5,713,000). Our Pillar 2 capital requirement has therefore been used as it is the greater of the two. The relationship between our Pillar 1 and Pillar 2 capital requirement is a core KPI. Shareholder funds and regulatory capital increased during the year as a result of retained profits.

Business Environment and Performance

Our market share and trends in our markets

All of our clients are charities, religious organisations or part of the public sector. Because all of our clients who are religious organisations are also charities, they are included in the charity analysis below. These comments are based on our analysis of the markets in which we operate.

Managing assets for charities

The most recent Charity Finance Survey, published in November 2020 but based on data as at 30 June 2020, showed CCLA as the largest manager of charity assets in the UK, and with by far the largest number of clients. The total funds captured by the Survey were £75.9 billion, and whilst there will be other charity assets not captured by the Survey, it is a useful working measure of the size of market for charity assets in the UK. Based on this total, CCLA has a market share of approximately 12%.

Analysing the market in more detail indicates that we have a market share of 43% of the market for charity mixed asset funds, which is our principal product focus. This is an increase from 41% as at 30 June 2019, and it means that we are by some way the market leader in this asset category.

Whilst it appears that the total value of charity assets under management, when adjusted for market movements, did not change much between the 2019 Survey and the 2020 Survey, the way in which these assets are invested, is changing. There is a trend for assets to move from segregated portfolios, to pooled funds, a trend which CCLA is driving to a considerable extent. We believe that cost efficiencies as well as superior fund performance, are contributing to this trend.

There is a market wide trend away from single asset class funds (pure equity funds and pure bond funds), towards mixed asset funds. Charities in aggregate are adopting more diversified investment strategies. We believe that this reflects a recognition that investment management needs to become more sophisticated and global, combined with concerns about the increasing concentration of the UK stock market and uncertainty about long term domestic economic growth.

The strong directional trend towards index-tracking that is so dominant in other parts of the investment management world, is not obviously apparent in the charity market. Some charity assets are managed on a passive basis, but we are not seeing the wholesale movement of assets that have come to be associated with institutional pension funds for example. We believe that this is because charities are looking for managed solutions rather than trying to buy market exposure at the lowest possible cost. Charities expect managers to take responsibility for asset allocation, and increasingly they expect managers to actively manage reputational risk so as to prevent investment in companies whose behaviour could be contrary to the purposes of many charity investors.

Managing assets for local authorities

Our public sector clients comprise local authorities investing their treasury balances. These balances were approximately £49 billion as at December 2020, which was an increase from £46 billion the year before. Based on this total, our local authority assets of £1.7 billion gave us market share of approximately 3.5%.

Historically, local authorities tended to invest the largest proportion of their assets into deposits with banks and building societies. However, over the past few years, their use of money market funds has been growing, and although the trend appears to have slowed somewhat, they still increased their assets in money market funds from £8.5 billion in 2019 to £12.4 billion in 2020. Our Public Sector Deposit Fund had assets of £1.4 billion in December 2020 and has since passed the £1.5 billion assets threshold, which has proved advantageous in marketing terms. This is also the point where all seed funders can have the amount they provided at launch managed for free in perpetuity.

We think that the published data somewhat understates the use of money market funds, because some local authorities may aggregate their money market investments into a wider categorisation of pooled fund assets. Local authorities also invest in bond, equity and property funds, where they can take a longer term view for some of their treasury money, and with the objective of building up a long-term source of investment income.

In December 2020, local authorities had £4.5 billion invested in what central government describe as 'externally managed funds'. Some of these assets were probably money market funds, so we cannot determine the precise extent of local authority investment in risk asset funds, but it does appear that our Local Authorities' Property Fund and Diversified Income Fund, which had combined assets of £1.3 billion in December 2020, have captured a significant share of this market.

Sector Involvement

Whilst the contribution we make to the work of our clients is dominated by our ability to deliver strong investment performance and consistent income distributions, we also provide a significant level of financial and in-kind support to a wide range of organisations. We develop long-term, sustainable relationships with key sector infrastructure bodies, provide core funding and event sponsorship, co-producing awards programmes to recognise achievement, resourcing research and policy related activity, as well as putting our offices and hospitality at their disposal without charge. As well as supporting these organisations, this engagement enables us to keep abreast of sector developments and ensures that we maintain a deep understanding of the issues facing our core markets.

However, at the beginning of lockdown due to the global pandemic in March 2020 client meetings and events ceased. The office emptied and we scrambled to understand how we might make use of technology for our outreach and education programme. The first thing we did was initiate a daily online video briefing on the CCLA website. The second action was to establish a monthly webinar on markets. The first one entitled 'Stay Home. Stay Safe. Stay Positive' attracted only 26 delegates. As the government's messaging changed so did our marketing. The monthly webinar became 'Stay Safe. Stay Positive. Stay Connected' and then became 'Style & Substance: What Matters? What doesn't?' As our confidence using a digital platform for our events increased so did the popularity of this monthly briefing, now regularly attracting 250 to 300 delegates.

We also ran nine trustee training seminars with themes such as 'What does the pandemic mean for your portfolio?' and 'Investing in line with purpose and values'. These events attracted over 400 delegates. In addition, throughout the year CCLA continued to faithfully support our extensive network of sector umbrella bodies representing charity, faith and public sector organisations who have also had to radically change the way they engage with their members.

Over the last twelve months, we ran or supported 150 online events, involving over 3,730 people. Our online presence has been successful too, reaching over 12,000 people. The value of this support for the charity, faith and public sectors CCLA serves is a core KPI, which was in excess of £1.2m in the year to 31 March 2021.

Section 172 Statement

The Directors of CCLA recognise that the long-term success of a business and the creation of value is dependent not only on its shareholders, but on maintaining relationships with all of its stakeholders and considering the external impact of the company's activities.

CCLA's key stakeholders can be defined within the following groups:

Clients
Shareholders
Employees
Communities and environment
Regulators and government
Suppliers

Pages 29 to 31 of the Directors Report provide a summary of CCLA's engagement with each stakeholder group in communicating key messages of the business model, future strategies with the company's business chain and environment as well as core values.

Our people

The success of CCLA is dependent on the skills and qualities of our staff and their ability to work constructively together to achieve our aims. The quality and behaviour of our staff is what drives the performance of our funds, the relationship with our clients, manages our risks and therefore drives our purpose. With this in mind, CCLA has committed to strong employee engagement, providing a clear sense of corporate purpose and direction within a fair, supportive and transparent working environment. We are firmly committed to evolving our people policies and practices and having continued high levels of employee engagement. We promote a culture where we recruit and retain individuals whose values match those of our business. CCLA wants to be an employer of choice in our industry.

In the year to 31 March 2021, our full time equivalent average headcount was 145, which compares with 137 in the previous year. Unintentional staff turnover (excluding, for example, redundancies, end of fixed term contracts and retirements) is a core KPI, and for the year to 31 March 2021 this was 3%, compared with 10% in the previous year.

Our gender mix as at 31 March 2021 was 55% male and 45% female (2020: 54% male and 46% female).

Our gender pay gap statistics as at 31 March were as follows:

	2021 %	2020 %
Mean gender pay gap in hourly pay	24.7	27.1
Median gender pay gap in hourly pay	33.0	37.3
Mean bonus gender pay gap	52.0	61.8
Median bonus gender pay gap	52.6	64.2

In 2021, 98% of males and 97% of females received a bonus payment (2020: 99% of males and 97% of females received a bonus payment). CCLA's gender pay gaps are marginally reduced across the board.

The proportion of males and females in each pay quartile:

	2021		2020	
	Male %	**Female** %	**Male** %	**Female** %
First quartile	74.4	25.6	71.4	28.6
Second quartile	51.4	48.6	61.8	38.2
Third quartile	59.0	41.0	50.0	50.0
Fourth quartile	33.3	66.7	36.8	63.2

Gender pay gap reporting has been designed for larger companies than CCLA and some of the disclosures result in volatile figures for a firm of CCLA's size. Mean figures are heavily influenced by small groups of higher earners. Median figures are meant to show a view of the pay of typical or middle earning staff, but are a crude measure, just taking the pay of the 'middle person' in each gender.

We recognise that our gender pay gap remains high. One of the main contributors to the gap is that there are a higher number of females being recruited into junior roles, as well as more males than females into managerial roles. Our gender pay gap is a core KPI. To address the gender pay gap, we have implemented unconscious bias training, and have continued to commit to ensuring there are balanced shortlists in recruitment. We are committed to facilitating a cross-CCLA diversity focus group to support and promote change as we move forward. For the longer-term, we continue to commit to developing performance potential and have been working with external organisations to broaden the diversity of our talent pipeline.

Proactive and effective succession planning is a central part of ensuring continuity of performance, service and administration for clients. Long-term planned succession is a useful opportunity to develop talent and potential within the organisation, and wherever possible and appropriate we promote from within. As well as ensuring that we have a deeper understanding of an individual's strengths and weaknesses before putting them into a position of greater authority and responsibility, internal promotion provides a mechanism to broaden diversity in areas where it is more difficult to achieve through external recruitment.

It is also important that we are ready for unplanned succession, and to reduce this impact, we aim to ensure that all our activities are based on the skills of a team rather than any single individual. In the event of an unplanned succession where there is no natural successor, a team is well placed to provide effective cover during the recruitment of an external replacement.

Training and Development

	2021 £	2020 £
Training and development spend	134,464	120,586

The past few years have seen an increase in CCLA's headcount and therefore an increase in training and development expenditure. Our focus is in ensuring our staff are fully trained and developed to efficiently and effectively carry out their roles and to progress their career within our business. We need exceptional staff and leaders who champion our culture, live our values and facilitate high performance, and a highly talented, diverse and motivated workforce who are empowered and engaged through working in a collaborative inclusive and supportive working environment. CCLA is committed to developing its talent potential. CCLA wants to be an employer of choice in our industry.

Employee Share Trust

The settlement of the CCLA Employee Share Trust ('the Trust') was made on 30 May 2018. The purpose of the CCLA Employee Share Trust is to buy and sell shares in the Company in order to provide an internal market for shares in connection with shareholdings arising from the CCLA Long Term Incentive Plan and deferred bonus plans. No benefits are provided to employees or ex-employees by the Trust apart from the provision of liquidity in the Company's shares.

The Trust is established in Jersey. The trustee is JTC Employer Solutions Trustee Limited in Jersey.

Share Incentive Plan

A Share Incentive Plan ('SIP') has been established by the Company, which commenced in April 2020. The SIP is a UK tax-approved all-employee share plan, whereby CCLA shares are bought by employees, with matching shares provided by the Company, and are held in the CCLA SIP Trust. The CCLA SIP Trust is administered by Link Market Services Trustees Limited.

Modern Slavery Act

We are committed to respecting human rights in all our operations and, whilst CCLA is a small business with a limited number of suppliers, we are aware that modern slavery[1] is likely to be present in the supply chain of nearly every company. For this reason, we assess potential suppliers' approach to addressing modern slavery prior to us entering into a business arrangement. We also regularly review the approach taken by our existing suppliers and pay particular attention to the 20 largest. Where we have questions or concerns, we meet with the management of the supplier in question. During the reporting year our analysis identified one supplier that operates in a high-risk sector but does not meet the revenue threshold required to report under the Modern Slavery Act. For this reason, we met with them to discuss their approach to sourcing the materials that they use.

Whilst our direct operations are limited to the UK, we invest our clients' assets in businesses that have global operations and supply chains. As a consequence, we believe that our highest exposure to modern slavery is likely to be through the companies and assets held in client portfolios.

We recognise the important role that investors can play in the global fight to end modern slavery. For this reason, CCLA have created the 'Find It, Fix It, Prevent It' investor initiative that aims to bring investors together to help improve the efficacy of corporate actions to find and fight modern slavery in their supply chains. To date this programme has received the support of investors with assets under management in excess of three trillion pounds, has filed a response to the UK Government's Transparency in the Supply Chain consultation and worked with experts in the field to develop a comprehensive 'company expectations' document that will guide investor engagement with companies.

CCLA's Chief Executive is responsible for the implementation of this policy and our wider adherence with the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards. He is assisted in this by the company's Modern Slavery Working Group, which includes members from each of our major business areas.

[1]For the purposes of this statement modern slavery is defined as modern slavery, servitude, forced or compulsory labour and human trafficking.

Mental Health Benchmark

CCLA began its mental health engagement programme in early 2019. Using the recommendations of the *Thriving at Work* review, we created a set of five best-practice indicators for companies to address. In discussing these with some of our investee businesses, we were repeatedly told that we were the only investors asking questions about mental health. In April 2020, during the UK's first lockdown, we gathered a £2.2 trillion investor coalition and wrote on their behalf to every FTSE 100 CEO, urging them to take steps to protect the mental health of their employees during the pandemic. We received 74 responses of varying quality. We are now working in partnership with Chronos Sustainability – and with the backing of the PRI, Mind and Lord Dennis Stevenson – to build the first investor-led corporate mental health benchmark. The Benchmark will act as a tool for investors to compare companies on their approach to mental health in the workplace; being able to understand the relative strengths and weaknesses of corporate action on mental health will inform and accelerate progress. We will pilot the benchmark in the UK in H2 2021, and expand overseas by the end of 2022.

Our environmental impact

CCLA considers its environmental impact as an organisation and the impact of the investments that we make for clients.

CCLA has ISO 14001:2015 certification which provides us with a framework to protect the environment and respond to changing environmental conditions in balance with socio-economic needs. As part of our certification, we have set targets for reduced paper and energy consumption and increased recycling. We report monthly to staff on our progress and provide reminders and encouragement to help contribute to these targets. Maintaining ISO 14001:2015 certification is a core KPI.

During the year to the end of March 2021, client portfolios have been managed in a way which ensures that they have a carbon footprint, and wider environmental, social and governance ratings, that are substantially lower and better than that of the world stock market indices.

Our Streamlined Energy and Carbon Reporting is disclosed in the Directors' Report on pages to 35 to 36.

Key Risks and Enterprise Risk Management Framework

Through its governance framework which includes the Board of Directors supported by the Board Audit and Risk Committee, Executive Risk Committee and Investment Committee, CCLA managed and where possible, mitigated its risks by reviewing the reports and management information provided at these committee and board meetings and ensuring appropriate actions had been taken to address significant issues or findings. Apart from the internal Risk and Compliance team, which provides advice to and monitoring of the business and reporting to the committees, internal audit reviews were conducted by an independent party, Grant Thornton.

Drawing on output from the Enterprise Risk Management Framework ('ERMF'), CCLA has identified 16 key risks it believes it is exposed to. More precisely, CCLA has detailed these key risks as those which would have the most critical impact to the operation of the business, with a particular focus on financial, regulatory, legal, and reputational impacts. These 16 key risks have been categorised under six themes: (a) Strategic, (b) Regulatory, Political and Legislative, (c) People, (d) Operational, which has been sub-divided into two groups, (e) Financial Strength and (f) Investment Risk. CCLA has controls in place to mitigate and manage these key risks.

Strategic Risks

1. **Prolonged market downturn resulting in reduced management fees**
   CCLA's revenue is directly linked to the size of the Assets under Management ('AUM') it manages. A decrease in AUM as a result of a drop in financial asset values decreases CCLA's revenue, which if significant or persistent, could weaken CCLA's financial position.

2. **Persistent poor investment performance resulting in significant outflows**
The ability to meet clients' and funds' investment objectives, deliver long term positive outcomes, and be a trusted partner with clients is critical to retaining and growing CCLA's AUM. If we cannot deliver for our clients as a result of ineffective investment strategies or processes, CCLA will lose the faith and trust of its clients and AUM will decrease as a result of outflows.

3. **Failure to successfully outsource TAG activities**
Project Queen is a significant strategic CCLA project that has the ultimate goal of outsourcing CCLA's internal transfer agency to a leading transfer agency outsourced provider. Failure to successfully execute this project (either via significant implementation delays, unforeseen material costs or material errors occurring upon implementation) may have a significant impact on CCLA's financial position, may result in severely heightened operational risk and may attract significant regulatory scrutiny.

4a. **Loss of competitiveness as a result of competing managers offering a more comprehensive ESG service**
CCLA is a leader in ethical and responsible investment, receiving the highest possible grade (A+) in the most recent PRI survey for the Company's approach to stewardship, ESG integration, in both listed equity and property, and our wider responsible investment strategy and governance. CCLA is also a 'Tier One' signatory to the UK Stewardship Code and the delivery of sustainable long-term returns is a central requirement for our clients, so CCLA assesses ESG risks in conjunction with the financial position of their investments.

Whilst CCLA has established an enviable reputation amongst its peers for the positive work it conducts in the ESG space (both in terms of investments and wider impact on society) we recognise that in recent times competitors have significantly increased their ESG offering to clients. CCLA acknowledges that competitors offering similar or more comprehensive ESG solutions and services which may pose a threat to our AUM base, in turn impacting our profitability.

4b. **The risk of CCLA "Greenwashing" by overestimating the extent of its ESG capabilities**
CCLA recognises that it is exposed to the risk of overestimating our ESG capabilities within its investment processes, for example, the potential of not being able to screen for an ESG factor or the inability to screen at a level deep enough to provide comfort to warrant investment. In addition, CCLA acknowledges the risk that we may be behind the curve on an emerging ESG related theme or that CCLA adopts a view or lobbies in favour of a company or agenda that transpires to be opposed to ESG best practice.

5. **Remaining relevant to clients and evolving with changing client investment needs**
   CCLA's investment solutions for clients are flexible and our employees and owners understand the particular needs and challenges facing charity, religious and local authority investors. However, CCLA recognises that failing to listen to our clients and adapt or evolve our services and product range to reflect changes in client needs may lead to a drop in AUM. In particular, there is a risk that our product offering is not suitably diversified or does not provide access to strategies that will help investors to meet their objectives. There is also the risk that products are not accurately described, or that they do not perform in alignment with their investment objective(s) for a sustained period.

Regulatory, Political and Legislative Risks

6. **Failure to comply with regulatory and tax requirements (including material regulatory misreporting, late submissions and not fulfilling its tax liability obligations)**
   CCLA is regulated by the FCA (but also has to fulfil specific SEC reporting requirements) and recognises that it must act in accordance with all applicable regulations. Additionally, CCLA recognises that it is exposed to risks associated with the tax position of CCLA and the tax position of the funds it manages. Failure to comply with either the regulations or failing to fulfil tax obligations (and act in an open and transparent manner) may result in increased scrutiny, fines, and supervisory action from the regulators, along with fines and increased scrutiny from HMRC.

7. **Legal disputes and litigation**
   CCLA relies upon a number of key business activities being conducted by outsourced parties, and as such we are exposed to legal risks associated with disputes and litigation made by third party outsourcers and suppliers. Whilst CCLA could face significant litigation costs as a result of legal action, litigation could also significantly damage our reputation with outsourcers, suppliers and potentially clients. CCLA also recognises it is exposed to additional risks in respect of employment practices (including local legislation, such as equal opportunities and human rights) and the conduct and professionalism of the people the Company employs.

People Risks

8. **Key personnel and/or key investment teams depart the Company**
   CCLA strives to achieve a supportive and stable environment for its staff and recognises that the success of CCLA and its clients is driven by hiring and retaining intelligent, committed, and collaborative people. The Company acknowledges that talented employees may be targeted by other investment firms and that this activity has the potential to negatively impact CCLA's financial position and potential for AUM growth.

9. **A significant number of employees within and/or across business areas are absent for a prolonged period or leave the Company, resulting in core BAU processes being put at risk and heightened operational risk**
   To be successful, CCLA relies upon stable leadership and clear direction from the Executive Committee and the Board, however it is also imperative that the day-to-day business activities operate effectively and, in a risk controlled manner. CCLA recognises that multiple employee absences, (perhaps through illness) within business areas that operate key processes, could result in significant heightened operational risk to CCLA.

Operational Risks: Regulatory and Financial Crime

10. **A successful act of significant financial crime (including fraud, money laundering, bribery, and market abuse) conducted by either external or internal parties**
    CCLA recognises that as an investment manager managing external client money, it is exposed to the risks of money laundering, bribery, fraud, and market abuse. Financial crime, should we experience it, may result in significant financial, regulatory, legal, and reputational damage to CCLA.

11. **Significant and/or persistent regulatory breaches resulting in increased regulatory scrutiny and loss of reputation**
    CCLA acknowledges that it has a duty to ensure client portfolios are managed with due skill and care and in line with investment expectations, including ensuring client investment guideline limits are appropriately managed. CCLA insists that all Company employees (and contingent workers) conduct their daily processes in a risk-controlled manner and that customers must always be treated fairly. Whilst CCLA does assign all suitable resources to managing and mitigating client breaches, we recognise that should clients experience material breaches and/or persistent breaches of a similar nature, this may result in bad outcomes for clients and financial, regulatory, and reputational damage to CCLA.

Operational Risks: Firmwide Operations, IT and Outsourcing

12. **A significant trading error or client transaction error resulting in significant financial, regulatory, and reputational damage**
    CCLA accepts that operational risks are inherent in many processes related to processing client flows and deploying client assets into investments. Operational risks are inherent across all business areas responsible for investment processing activity, and they may be heightened because of the cross-sectional nature of investment processing, whereby several teams and systems are working in tandem or where there are manual processes. CCLA recognises that the magnitude of trade or client flow related errors (both from a financial and regulatory perspective) may be significant due to severe market movements and the cost of correcting investment positions.

13. **Severe or extreme BCP event resulting in significant disruption to CCLA activities (including third party failure or a cyber-attack)**
    CCLA has identified and defined a set of "important business services" which are critical to our day to day operations. Should any one of these (or multiple) important business services become unavailable or non-operational, and no action was taken, CCLA would be exposing itself and its clients to a number of risks which may result in significant financial, regulatory, legal, or reputational damage to both sets of parties.

    It is recognised that CCLA relies upon a number of internal IT systems to manage a number of processes effectively on behalf of CCLA and its clients on a daily basis. One of the IT systems CCLA relies upon is a platform called UCM, which is a key system used for transfer agency activities and processes, including acting as a data repository and managing AML processes. A UCM system failure may result in CCLA being unable to check signatories or process client instructions, and if not rectified within a short period, may lead to BCP protocols being invoked. Should UCM or any other critical systems become unavailable or non-operational, CCLA would be exposing itself and its clients to a number of risks which may result in significant financial, regulatory, legal, or reputational damage to both sets of parties.

    CCLA also recognises that it is inherently exposed to cyber risks given that we utilise email, makes use of internet services and has digital lines of communication in place with a number of third party service providers. CCLA believes that ransom related malware attacks pose the biggest threat from a cyber risk perspective, most likely manifesting itself in one of two ways, (1) direct target via a phishing email (2) random non-target phishing. Again, CCLA recognises that failing to take appropriate steps to manage cyber risks may result in CCLA exposing itself and its clients to a number of risks which may result in significant financial, regulatory, legal, or reputational damage to both sets of parties.

Financial Strength

14. **Failing to meet the required minimum regulatory capital requirements resulting in fines, and increased regulatory scrutiny**
    CCLA is required by law to hold a minimum amount of capital to meet regulatory requirements. CCLA acknowledges that there is a risk that the capital requirement may not be met due to an event or series of events that significantly depletes CCLA's financial position, and that there is a risk that the capital requirement is incorrectly calculated. Both scenarios may result in significant regulatory impact and reputational damage alongside potential fines.

15. **There is a significant increase in the Defined Benefit Pension Scheme ('DBS') liability putting significant stress on CCLA's financial position or an unforeseen expense in relation to the scheme as a result of periodic actuarial revaluations**
    Whilst CCLA accounts for the DBS liability in the management accounts, over the longer term CCLA recognises that a significant decrease in interest rates, pension holders living longer, poor investment performance or a downward revaluation within the pension fund could result in the pension deficit liability increasing significantly. This could result in significantly increased costs for CCLA and may also result in CCLA requiring to set aside an increased amount of regulatory capital, in respect of our Wind Down Plan.

Investment Risk

16. **Persistently failing to operate within the investment risk constraints of the investment funds or segregated client portfolios**
    The portfolios managed by CCLA are exposed to market, leverage and liquidity risks resulting from holdings, movements and characteristics of the investment positions held. Portfolios are subject to market risk from market movements, which can cause a decline in the value of the assets under management within the portfolios. Portfolios are also subject to potential leverage risks, whereby the portfolio has investment exposure that may be greater than the underlying assets within the portfolio.

    CCLA also recognises that portfolios (including specific holdings within the portfolios) are exposed to Liquidity risks, whereby challenging market conditions may result in the inability to sell the portfolio's underlying investments for full value, or at all. This could affect portfolio investment performance and prevent cash (or other assets) from being readily available to meet client redemptions or other obligations.

    Failing to operate within the above constraints, in particular material and/or persistent deviations may result in significant regulatory scrutiny, client dissatisfaction and a loss of trust in CCLA's ability to manage their investments. Additionally, CCLA may face client litigation and experience increased costs as a result of either litigation and/or correcting investment positions.

Enterprise Risk Management Framework
In order to put the foundations of a robust, practical, and proportionate Enterprise Risk Management framework ('ERMF') in place at CCLA, a number of key risk related activities have been completed.

Key activities completed in the past financial year were as follows:

- Enhancement of the risk event and near miss management process;
- Completion of the Risk and Control Self-Assessments across all pertinent business areas;
- Completion of the Risk Appetite Framework, including statements of appetite, metrics and associated limits;

- Completion of the Enterprise Risk Management Policy;
- Updating the Internal Capital Adequacy Assessment Process; and
- Identifying key risks from the CCLA risk universe.

Key planned activities for the next financial year include:

- Risk and Control Self-Assessment enhancement work (to improve control environments where risk ratings were scored medium or high);
- Develop Key Risk Indicators ('KRIs') aligned to the Risk Appetite Framework; and
- Implementation of an external integrated GRC (Governance, Risk and Compliance) application.

Our infrastructure

We continue to progress with improvements to our infrastructure.

Drawing on the expertise of a leading firm of investment management consultants, we have been working on finalising the road map for our core operating systems. A project is well progressed to outsource our transfer agency function and we are close to completing the implementation of a new Client Relationship Management system. Underpinning these changes, will be the adoption of a new digital architecture enabling us to move forward with the launch of a client portal.

We are in the process of extending our use of Microsoft 365, with a company-wide implementation of SharePoint and OneDrive.

Our tax strategy

CCLA is not required by legislation to publish a tax strategy and, as a business exclusively operating in the UK, it does not face the tax issues of multinational groups. The Group's approach to tax issues is as follows:

1. CCLA aims to follow both the spirit and letter of the law regarding tax matters. The Group does not engage in tax evasion or contrived tax avoidance and seeks to pay the correct amount of all types of tax (including corporation tax, VAT, business rates and employment taxes). The Group's Jersey based Employee Share Trust has only been set up to provide liquidity in CCLA shares and is not used for tax avoidance purposes.
2. Governance of the firm's tax affairs sits with the Chief Financial Officer, reporting to the Chief Operating Officer. The Board and Audit and Risk Committee consider tax matters as part of their overall review of the Group's financial affairs. Advice is sought from professional advisers as appropriate.
3. Risks associated with tax relate to compliance and reporting, which may include risks of mispayments, interest charges or penalties. The Group seeks to minimise such risks by internal processes for checking tax returns and by seeking professional advice whenever needed.
4. The Group seeks to maintain an open and transparent relationship with HMRC.

Chair's Statement

What a year! I would like to start my review by first and foremost paying tribute to each and every member of staff at CCLA. The Chief Executive's Report will highlight the details of the extraordinary results that the Company has produced but the responsibility for that outcome rests with the dedication and contribution of the people at CCLA. Yet another year, despite the depths of gloom when the original budget was produced, of record assets, growth in new business, revenues and profits and continuing excellent investment returns; but underpinning this has been a remarkable litany of praise from our clients in respect of the service they have received. Several years ago, we initiated a project to refine the purpose statement of the Company. This project sought the views of every member of staff and all but two, who were incapacitated by illness, contributed. That focus on harnessing the power of markets for the benefit of society through our service to our clients has been the guiding philosophy which has enabled our Company to adapt to the extraordinary year we have seen.

In last year's statement I highlighted how we had adapted to remote working and video conferencing and at the time of writing there was no clear vision as to how the situation would be resolved given we were dealing with a novel pathogen. That uncertainty remains. The third lockdown and emergence of the Delta variant has offset the benefits of the extraordinarily successful vaccination strategy. The old adage is that 'success has many fathers and failure is an orphan' but in response to a crisis Britain has led the world in vaccination through harnessing the resources of government departments, agencies, the NHS, the Armed Forces, local authorities, the voluntary sector and community volunteers, the private sector and the venture capital sector to create a program which has enabled us to face the threat of a considerably more contagious variant without as yet significant pressure on deaths and hospitalisation; however, that threat has led to a further extension of lockdown and a delay in the return to a greater degree of normality including returning to the workplace.

CCLA therefore continues to face considerable challenges. The macro-economic background is mixed with the expectation of rapid economic recovery, led by the UK, but hampered by very significant disruption to supply chains globally which threatens inflation. Just as the impact of the recession was uneven on the way down, it seems certain that the benefits will be just as unevenly distributed on the way up, by industry, geography and country. There will be a terrible toll on mental health, education, undiagnosed health issues and an increased pressure on our client base to meet these social needs.

Whilst CCLA has quietly carried the flag for ESG investment for years reflecting our clients' priorities and our convictions, this is now 'the hottest ticket in town' and every major fund management group is seeking to present itself as an ESG thought leader. It will be imperative for us to continue to demonstrate and articulate our leadership in this area.

Meanwhile the Company continues its major infrastructure investment program which will enable us to continue to maintain and improve our service levels to clients. Much has been made of 'the bonfire of Brussels red tape' that would follow Brexit, but the reality is that the regulatory burden on CCLA is ever increasing.

I began by paying tribute to all our staff but as I draw to a close, it is worth stating that the past year was the first full year of tenure of Peter Hugh Smith as Chief Executive. I can think of no more difficult year to face as a new incumbent. That the Company has performed so well with the survey of staff morale having risen year on year is a testament to how he has risen to the task, ably supported by the Executive Directors. Moreover, our Non-Executive Directors have also contributed above and beyond expectation with continuing improvements in audit, risk, regulation and remuneration as process continues to be placed at the heart of what we do to achieve the purpose statement for our clients. Society will face considerable hurdles this year and beyond as will CCLA. Our unity of purpose, the excellence of our team, the spirit of service and our clear leadership means we are well placed to overcome them.

Richard Horlick
Chair
7 July 2021

Chief Executive's Review

The last twelve months have been extraordinary, starting with the early days of lockdown in the middle of the first wave of the pandemic and ending with the second, more devastating wave starting to subside. We have all become accustomed to working from home, mask wearing, social distancing and what would previously have been viewed as draconian restrictions of our freedoms, which we have come to accept and perhaps even derive some comfort from. Though it has not been an easy year for CCLA the business has continued to flourish, something which at times causes a strange feeling of guilt when we see the economic and social damage the pandemic has caused to many companies and individuals around the world.

We started the year with Assets Under Management of £9.79 billion which grew to £12.53 billion by 31 March 2021, an increase of 28%. This growth reflects £1.51 billion of new assets and £1.23 billion of investment returns. New assets were split £683m to long term funds and £825m to short term money market funds including £580m into The Public Sector Deposit Fund. Our asset growth was further supported by the launch of the CCLA Catholic Investment Fund at the end of the period which has been warmly received by many Catholic charities.

We have maintained our focus on quality companies around the world generating consistent free cash-flow. This protected us from the worst of the market falls at the outset of the pandemic, though during the fourth quarter of 2020 and the first quarter of 2021 our performance lagged marginally as the cyclical stocks were hit hard at the beginning of the pandemic but recovered on the news of the successful vaccine development. For the year, our flagship COIF Charities Investment Fund returned 24.3% after fees and expenses versus its comparator return of 22.9%. I am also pleased to report that for our Investment Funds and Global Equity Income Funds we increased distributions paid, though the distributions from our Property Funds were modestly reduced due to lower rent collections from tenants impacted by the economic consequences of lockdown.

A striking feature of the past year has been the rising interest in Environmental, Social and Governance ('ESG') across the investment management industry. CCLA has been an active ESG investor for many years and we see the increased acceptance of the importance of taking account of both financial and non-financial considerations when making investment decisions as a most welcome and positive development. CCLA has been active in the environmental arena for many years, including having launched *Aiming for A* coalition which has since evolved to become *Climate Action 100+* the world's largest investor engagement programme backed by $45 trillion of assets. More recently we have extended our work to address modern slavery with the launch of the *Find it, Fix it, Prevent it* initiative now backed by £7 trillion of assets. Dame Sara Thornton, the UK's Independent Anti-Slavery Commissioner, recently described CCLA as an "unquestionable leader" in the fight against modern slavery. We are also developing the CCLA Corporate Mental Health Benchmark to encourage better mental health at work, something even more important today given the widespread impact on mental health caused by the pandemic.

CCLA continues to develop how it integrates ESG into its activities. Over the year we have further developed our "Good Investment Beliefs".

Pushing for Progress in meeting the world's sustainability challenges before they negatively impact the performance of our client's assets and the functioning of society.

We do this by:

- 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 had the attention that they require.
- Seeking to be a catalyst for change in the investment industry.

Sustainable healthy returns depend upon healthy communities.

Re-assessing the fundamentals, we believe that a combination of legislation, regulation and changing societal preferences will inevitably impact negatively upon the cash flow of the most unsustainable business models.

For this reason, we avoid investing in companies that have uncompensated, unwanted, unwarranted, and unmitigated ESG risks as evidenced by:

- Poor management and weak corporate governance.
- Having an unacceptable social and environmental impact.
- Not demonstrating a willingness to improve through investor engagement.

This helps us avoid investments that we anticipate will underperform and, as the market has a poor record of pricing these risks, enables us to deliver superior longer-term risk adjusted returns to our clients.

Investing in a way that is aligned with our clients, as we are the guardians, not the owners, of the assets that we manage.

For this reason, we have a responsibility to:

- Ensure that our portfolios are aligned with our clients' objectives, values and beliefs.
- Report on the outcomes of all our work.
- Be transparent about everything we do on our clients' behalf.

By investing in a way that is aligned with our clients we are better able to meet their objectives and offer more than a financial return.

Over the year CCLA has continued to invest in its people and operational capabilities. A new Chief Risk Officer joined in May and the Compliance and Risk teams have been strengthened to support our continued growth and to ensure our policies and procedures meet and, where possible, exceed regulatory requirements. We also continue to invest in our operational systems, updating or replacing where necessary to provide resilience across the business. We are also in the process of adding increased digital capabilities to allow those clients who would prefer to engage with us online, though we remain committed to exceptional client service over the phone and in person.

From a financial perspective CCLA remains in very good health. Revenue for the year was up 10.3% resulting in a Profit Before Tax of £11.5m in turn representing a modest fall on the previous year Profit Before Tax of £11.9m as a result of our continued investment in the business. CCLA has substantial reserves that are significantly in excess of its regulatory requirements which will provide a strong basis for CCLA's future growth.

Looking forward CCLA is ideally placed to continue its growth. Our long-term track record is strong and our heritage in ESG is shared by very few other investment managers, providing us with a unique opportunity. Though we need to grow the business to maintain our ability to deliver returns to our investors, supported by the right people and infrastructure we look to balance this with the unique culture of CCLA and the needs of our Church, Charity and Local Authority investors.

Finally, I would like to thank all the CCLA staff for their incredible work over the past year. They have worked tirelessly from home not just maintaining our service but, in many areas, improving it. Many staff have worked longer hours while balancing other challenges such as home schooling, but without complaint. It is the CCLA people and the culture they collectively represent that really differentiates CCLA and drives our ability to serve our investors, I am honoured to be leading this team on behalf of all CCLA's stakeholders.

Peter Hugh Smith
Chief Executive
7 July 2021

Engaging with our Stakeholders

The Board of Directors understand the importance of engaging with CCLA's various stakeholders and actively focuses on developing a strategy which can achieve long term success and generate sustainable returns for all stakeholder relations. CCLA engages with its stakeholders in many ways and this section outlines the key stakeholder groups, and the methods with which CCLA has fostered positive business relationships.

Clients

CCLA's purpose is to help its clients maximise their impact on society by harnessing the power of investment markets. The Company is focused on treating its customers fairly through understandable and accessible products that are right for them, irrespective of their size. CCLA engages with its clients through:

- Providing regular updates on Fund Performance. With the onset of COVID-19 and lockdown, all communications have been conducted online including all of our client relationship management.
- Sponsoring and speaking at Sector Events.
- Hosting Trustee Training Events, currently online, enabling direct feedback on customer experience and best practice.
- Recognising the importance to clients on the safety of their data and money, and continually investing and utilising advanced technology to protect them, including systems that prevent fraud. CCLA staff receive periodic training and support on important issues such as anti-bribery and cybercrime to help safeguard client information.

Shareholders

Furthered by its unique shareholder structure, CCLA is required to provide fair, balanced and transparent information to instill trust and confidence in its shareholders and allow informed investment decisions to be made. CCLA engages with its shareholders through:

- Active engagement between members of the Board and the shareholders throughout the year, including the Chair and Executive Directors to discuss strategic progress, financial and operational performance. Feedback from meetings is then passed directly to senior management within the business.
- In November 2020, the Chair and the Chief Executive hosted a collaboration meeting with the major shareholder representatives covering key topics such as the opportunities and challenges across core markets.

Employees

CCLA considers its employees as the cornerstone of delivering the Company's vision and aims to provide a supportive and stable environment for staff to feel included, empowered and inspired to deliver a trusted service to its clients. CCLA engages with its staff through:

- Weekly briefings with all staff to keep employees engaged and informed on a variety of business matters.
- Providing opportunities for members of the Board to meet key functions in the business such as Client Relations, IT and Operations.
- Following the COVID-19 pandemic, CCLA has rolled out a series of agile working, mental health and wellbeing workshops to strengthen and support staff in the new working environment.
- Annual staff engagement survey with a 85.4% response rate and an overall average employee satisfaction score rising to 5.8, based on a sliding scale out of 7.

Communities and environment

CCLA has representation across the Charity, Church of England and Local Authority Sectors and therefore considers its impact as an organisation on those particular communities and the environments within which they operate. CCLA engages with the wider communities and environment through:

- Incorporating the work and efforts of the Ethical & Responsible Investment team within the quarterly Board agenda as part of CCLA's commitment to be a trusted and responsible business.
- CCLA has provided financial or in-kind support to a number of organisations throughout the year. A full list of organisations can be found on page 90.
- Read more on our environmental impact on page 17.

Regulators and government

CCLA has a good relationship with its regulators and other government authorities and liaises regularly where required. CCLA engages with its regulators through:

- The timely submission of filings to Companies House, the Financial Conduct Authority, the Charities Commission and HMRC.
- A robust governance framework made up of four major components: Board oversight, Committee responsibilities, management accountability and authority and policies and procedures.
- Responding as relevant to the regulatory Consultation Papers through the appropriate industry bodies such as the Investment Association.

Suppliers

Given the size of CCLA, the Company is reliant on external suppliers for several key services. Dealing with suppliers in the right way is important for the future success of the Company. CCLA engages with its suppliers through:

- A conscious engagement of suppliers of varying sizes, mostly in professional services sector such as Data Suppliers, IT, Cyber, Operations, Management Consultancy, Legal, HR, Marketing and Communication.
- Conducting regular supplier due diligence before agreeing a transaction or a contract and throughout the lifecycle of any supplier relationship.
- All material contracts are subject to rigorous cost management governance and updates on key supplier risks are provided to the Board for their information.
- Continued enhancements to address the risk of Modern Slavery in CCLA's supply chain whilst also taking a firm lead on tackling Modern Slavery within Investment Management. Further details can be found on page 16.

Other Disclosures

Long Term Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the prospects of the Company over a three-year period to March 2024. This takes into account the Company's current position, strategic aims, risk appetite and principal risks. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over this three-year period.

Dividends

Distributions of £3,556,041 were declared on 13 October 2020 and paid on 2 November 2020 on 242,137 Ordinary Shares in this financial year (2020: £3,570,330 on 242,137 Ordinary Shares).

Share capital

During the year there were no changes in the Company's issued share capital (2020: no changes in the Company's issued share capital).

Qualifying Third Party Indemnity Provision

The Company provides qualifying Professional Indemnity and Directors and Officers Liability Insurance with a number of Lloyds underwriters through its brokers Blackmore Borley. The policy was in force during the financial year and a renewed policy was in place at the date of approval of the financial statements.

The Directors are not aware of any issues giving rise to a claim at the date of signing these financial statements.

FCA Remuneration Code Disclosures

CCLA's FCA Remuneration Code disclosures are available on our website www.ccla.co.uk.

Directors

Biographical details of the Directors are shown on pages 39 to 42. The Directors of the Company who served throughout the year and up to the date of signing were:

- * Richard Horlick – Chair
- * Christine Johnson [a]
- * John Tattersall [a] [2] (Chair of the Audit and Risk Committee)
- * Glenn Newson [a]
- * Ann Roughead [a] [1] (Chair of the Remuneration and Nominations Committee)
- * Jonathan Jesty [a] [1] (Chair of the Audit and Risk Committee)
- * Chris West [a] [1]

Peter Hugh Smith – Chief Executive
James Bevan – Chief Investment Officer
Elizabeth Sheldon – Chief Operating Officer
Andrew Robinson – Director, Market Development

Directors (continued)

(1) Ann Roughead and Jonathan Jesty were appointed as Non-Executive Directors on 24 April 2020. Chris West was appointed as a Non-Executive Director on 8 March 2021.

(2) John Tattersall, a Non-Executive Director, resigned on 8 July 2020.

* Non-Executive Directors.

(a) Member of the Audit and Risk Committee and the Remuneration and Nominations Committee.

During 2011, the Company implemented a Long Term Incentive Plan. Under this Plan, Executive Directors are given permission to purchase a specified number of CCLA Ordinary Shares with the support of loans granted by CCLA. Under the Plan, shares are bought and sold at the same independent valuation used by the other major shareholders. There are significant restrictions on the sale of shares by the Executive Directors which in practice means that their shares remain under the long-term control of the major shareholders.

On 19 May 2020, 210,248 Ordinary Shares were granted to two Executive Directors, pursuant to the Company's Annual Equity Settled Bonus Deferral Scheme.

On 19 May 2020, 218,319 Ordinary Shares were granted to Michael Quicke, a former Executive Director, pursuant to the Company's Annual Equity Settled Bonus Deferral Scheme. Mr Quicke retired from CCLA on 8 July 2019.

On 28 May 2020, 90,021 Ordinary Shares belonging to two Executive Directors, were purchased by the CCLA Employee Share Trust.

On 30 May 2020, 102,295 Ordinary Shares belonging to Michael Quicke, a former Executive Director, were purchased by the CCLA Employee Share Trust.

On 3 June 2020, 66,800 Ordinary Shares belonging to Colin Peters, a former Executive Director, were purchased by one Executive Director under the Long Term Incentive Plan. Mr Peters retired from CCLA on 25 June 2015.

On 18 June 2020, 290,900 Ordinary Shares belonging to the CCLA Employee Share Trust were purchased by four Executive Directors under the Long Term Incentive Plan.

On 18 August 2020, 29,674 Ordinary Shares belonging to one Executive Director and 395,434 Ordinary Shares belonging to Michael Quicke, a former Executive Director, were purchased by the CCLA Employee Share Trust.

On 24 August 2020, 329,369 Ordinary Shares were granted to Michael Quicke, a former Executive Director, pursuant to the Company's Annual Equity Settled Bonus Deferral Scheme. On 25 August 2020, 329,369 Ordinary Shares belonging to Mr Quicke were purchased by the CCLA Employee Share Trust.

In accordance with the Good Leaver provisions in CCLA's Articles of Association, Executive Directors are permitted to retain their CCLA Ordinary Shares for up to five years after their retirement.

Directors (continued)

The CCLA Employee Share Trust was set up on 30 May 2018.

The revised holdings of current and former Executive Directors were as follows:

	Holding as at 31 March 2021 Ordinary Shares £1 each	Holding as at 31 March 2020 Ordinary Shares £1 each
Peter Hugh Smith	309,800	150,000
James Bevan	628,533	550,300
Andrew Robinson	615,220	550,300
Elizabeth Sheldon	290,600	145,300
Adrian McMillan	94,800	94,800
Colin Peters	–	66,800
Michael Quicke	43,390	322,800
Total	**1,982,343**	**1,880,300**

Share holdings as at 31 March 2020 above have been restated for 100:1 share split which took place on 1 April 2020.

The revised ownership structure of CCLA at 31 March 2021 was as follows:

Shareholder	Holding as at 31 March 2021 Ordinary Shares £1 each	Interest in Ordinary Shares %
The CBF Church of England Investment Fund	13,000,000	53.69%
COIF Charities Investment Fund	5,416,700	22.37%
The Local Authorities' Mutual Investment Trust (LAMIT)	3,250,000	13.42%
Current and former Executive Directors	1,982,343	8.19%
CCLA Employee Share Trust	506,759	2.09%
CCLA Share Incentive Plan	57,898	0.24%
Total	**24,213,700**	**100.00**

The Executive Directors also participate in shareholdings in CCLA through the Share Incentive Plan, on the same basis as other eligible employees.

Employees

Details of the Company's employment policies can be found on pages 50 to 51 in the Corporate Governance Report.

Streamlined Energy and Carbon Reporting

CCLA have reported scope 1, 2 and 3 greenhouse gas ('GHG') emissions in accordance with the requirements of Streamlined Energy and Carbon Reporting ('SECR'). This includes emissions for the year to 31 March 2021.

Responsibilities of CCLA

CCLA were responsible for the internal management controls governing the data collection process. We engage an external consultant for the data aggregation, any estimations and extrapolations applied (as required) and GHG calculations performed, and the emissions statements.

Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Scope and Subject Matter

The boundary of the report includes sites where CCLA staff are based.

Energy and GHG sources included in the process:

GHG Protocol Category	Data Source
Scope 1: Fuel used in company vehicles, natural gas, diesel for electricity generation, other fuels	Not applicable
Scope 2: Purchased electricity (location-based method)	Meter readings were not available for the reporting period. Direct comparison was used based on readings from last year
Scope 3: Fuel used for business travel in employee or hired vehicles	Milage from expensed fuel in employee owned vehicles

- Types of GHGs included, as applicable: CO2, N2O, CH4, HFCs, PFCs, SF6 and NF3

The figures were calculated using UK government 2020 conversion factors, expressed as tonnes of carbon dioxide equivalent ('tCO2e').

Energy Efficiency Action

During the year, we have focused on ensuring our office is using a low baseload of energy during sustained periods of low occupation. This has involved utilising PIR motion sensor lighting, low energy bulbs and ensuring equipment is shut down when not in use.

CCLA's GHG statements (in tCO2e), as follows:

	2021
Energy consumption used: (kWh)	
– Electricity	150,611
– Gas	–
– Transport fuel	5,380
– Other energy sources	–
Emissions (tCO2e)	
Scope 1	
Emissions from combustion of gas tCO2e	–
Emissions from combustion of fuel for transport purposes tCO2e	–
Scope 2	
Emissions from purchased electricity – location based, tCO2e	35.1
Scope 3	
Emissions from business travel in rental cars or employee vehicles where company is responsible for purchasing the fuel tCO2e	1.7
Emissions from upstream transport and distribution losses and excavation and transport of fuels – location based tCO2e	8.3
Total location based tCO2e	45.1
Intensity Ratio: tCO2e/£ million turnover	
Turnover	£50.14 million
Intensity ratio: tCO2e from Scope 1, 2 and 3 (fuel for business travel only)/£ million turnover Location Based	0.90
Methodology	Greenhouse Gas Protocol Accounting and Reporting Standard

Charitable Donations

During the year the Company made charitable donations of £2,720 (2020: £4,836) which were paid either: as part of CCLA's policy to match the amount a staff member raises for a sponsored event up to £250 per staff member per year; or for a new scheme whereby the Company will match Give As You Earn giving up to £250 a year; or as voluntary Church Rates. This does not include other forms of support to organisations listed on page 90, as highlighted on page 12 to 13.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of the Company are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management (audited)

Financial risks that the Group is exposed to are as follows:

- Credit risk – the Group's holdings of sterling cash deposits expose it to the risk that the counterparty will not repay the deposit. To minimise this, the Group only deals with counterparties with good credit ratings. Deposits are also spread amongst different counterparties. CCLA invests in the Public Sector Deposit Fund, the triple-A rated money market fund, and places deposits with counterparties that have a minimum short term Fitch credit rating of at least F1. Amounts placed with counterparties are reported monthly to the Executive Committee. Debtors are generally due from funds managed by the Group and the risk of default is deemed minimal.
- Liquidity risk – financial instruments held by the Group consist of short-term sterling cash deposits and deposit funds designed to ensure the Group has sufficient available funds for operations, which enable it to meet its objectives.
- Interest rate risk – the Group invests its surplus funds in fixed and floating rate deposits. Changes in the interest rates will result in income increasing or decreasing; however, the proportion of the Group's income that comes from interest income is small.
- Pensions obligation risk – to minimise this risk, CCLA holds sufficient capital to allow it to fund pension obligations without impacting on its day to day operations.

The principal risks and uncertainties for the Group are highlighted in the Strategic Report.

Policy and practice on payment of creditors

It is the policy of the Company to abide by agreed terms of payment, provided that the supplier performs according to the terms of the contract and that the invoice is duly authorised.

Provision of information to the Auditors

So far as each person who was a Director at the date of the signing of this Report is aware, there is no relevant audit information of which the Auditors are unaware. The Directors confirm that they have taken all the steps they ought to have taken as Directors to establish that the Auditors are aware of that information.

Independent Auditors

In accordance with Section 485 and 492 of the Companies Act 2006, resolutions proposing the appointment of the Auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Pillar 3 disclosures

Pillar 3 disclosures are available on CCLA's website www.ccla.co.uk.

Approved by the Board of Directors and signed by order of the Board by:

Jackie Fox
Company Secretary
7 July 2021

Board Profiles

Non-Executive Directors

Richard Horlick – Chair
Richard has 35 years investment management experience in both the UK and the US. After spending three years in Corporate Finance at Samuel Montagu & Co, Richard joined Newton Investment Management Ltd in 1984 as Director of Pension Portfolios. In 1994, Richard became President of Institutional Business at Fidelity International Ltd (UK) until 2001, where he was made Chief Executive and President of Fidelity Management Trust Co, the Trust Bank of the Fidelity Mutual Funds in the US and the US institutional business. He then became a main Board Director of Schroders plc following his appointment as Chief Executive of Schroder Investment Management Ltd from 2002 to 2005. Richard has held previous Non-Executive Director roles with Pensato Capital LLP, Tau Capital plc and Pacific Assets Trust plc and has recently stepped down as a member of the Investment Committee at Pembroke College, Cambridge. Richard was appointed a Non-Executive Director and Chair of CCLA in January 2017.

Jonathan Jesty (appointed 24 April 2020)
Jonathan has over 35 years' corporate, professional services and regulatory experience in the financial services industry. Jonathan has worked in asset management throughout his career, most recently at Schroders as Global Head of Compliance until he retired from his executive career in 2018. He was for many years an audit and advisory partner at KPMG. Jonathan graduated with an MA from Cambridge University, qualified as a chartered accountant with KPMG and holds an MBA from London Business School. He is a Non-Executive Director of McInroy and Wood Portfolios Limited. Jonathan joined the Board of CCLA in April 2020 as an Independent Non-Executive Director and is Chair of the Audit and Risk Committee.

Christine Johnson
Christine was the Senior Fund Manager and Head of Fixed Income at Old Mutual Global Investors until 2017. Previous fund manager appointments include HSBC and Investec. She was appointed to the Board of Invesco Enhanced Income Limited in 2019 (now Invesco Bond Income Plus Limited), the Board of Golden Charter Trust in 2020 and the Boards of First Sentier Investors FSI EH, FSI UKS, FSI UKI, and FSI IIM in 2021. Christine was appointed as a Trustee Director to the CBF Funds Trustee Board in November 2017. She joined the Board of CCLA as a Non-Executive Director in June 2018.

Non-Executive Directors (continued)

Glenn Newson
Glenn is a Chartered Surveyor, with over 35 years investment experience on behalf of Institutional, Private and Family Office clients. Prior to forming his own business he was Managing Director of UK Property of Aberdeen Asset Management from 2007-2008, and Head of UK Property for Credit Suisse Asset Management from 2003-2007. Glenn has a 1st Class BSc (Hons) degree in Valuation and Estate Management. Glenn joined the COIF Charity Funds as a Director in October 2008. He was appointed a Non-Executive Director of CCLA in October 2018.

Ann Roughead (appointed 24 April 2020)
Ann is a Non-Executive Director and Chair of the Customer Focus committee at Columbia Threadneedle Investment, on the board of the Rock Trust, a youth Homeless Charity and an advisor to Saphira Group. She has over thirty years of experience in the investment and finance sector. Previous Board positions include BNY Mellon Investments, Lighthouse Group PLC, Funds Rock Partners and the Rugby Players Association. She has chaired, Audit, Risk and Remco committees. In her executive career she was CEO of LV= Asset Management and CEO of Ellis Clowes & Company, a London-based Lloyds Insurance Broker. At Citi she was, Chief Operating Officer of the Private Bank (Europe), Head of Smith Barney (Europe), Head of Investment for Citi's Retail Bank and Head of UK Wealth Management and Banking. She was Head of European Product Development and Strategy for JP Morgan Asset Management. She is qualified as a solicitor and is a member of the Ethics Committee of the Chartered Institute of Securities and Investments (CISI). Ann joined the Board of CCLA in April 2020 as an Independent Non-Executive Director.

Chris West (appointed 8 March 2021)
Chris spent most of his career working in local authorities in a range of roles but specialising in Finance. He is a Fellow of CIPFA and has been Secretary and President of the Society of Municipal Treasurers. Prior to taking early retirement in 2017, he spent ten years as Director of Finance/Resources at Coventry City Council. Since leaving Coventry he has established a consultancy company specialising in local government finance working for clients including CIPFA, the LGA and individual Councils. He also has a portfolio of Non-Executive Director Roles, including Midland Heart Housing Association and the Heart of England Community Foundation, where he is Vice Chair. In March 2021 Chris was appointed to the Board of LAMIT and is now their nominee on the Board of CCLA.

Non-Executive Directors (continued)

Executive Directors

Peter Hugh Smith – Chief Executive

Peter was appointed Chief Executive of CCLA in July 2019 and is responsible to the CCLA Board for the overall performance of the business and quality of our service for clients. He has more than 25 years' experience in the investment management industry most recently as Managing Director of the fund services business Link Fund Solutions. His experience has ranged from wholesale relationship management at Russell Investments to establishing an asset management business for Hong Kong conglomerate Seapower. He is also Chair of Governors at a Bishopswood School, a Local Authority maintained Special Education Needs school in Oxfordshire. He was appointed as an Executive Director of CCLA in August 2019 following approval from the FCA.

James Bevan – Chief Investment Officer

Before joining the Company James was the Head of Asset Management at Abbey. He joined Abbey in 1999 to create Inscape, the multi-manager based service for the mass affluent market and trusts. In 2002, he was appointed Abbey's overall Chief Investment Officer and became Head of Asset Management in 2004 for all Abbey companies. Prior to Abbey, he was Chief Investment Officer for Barclays Stockbrokers and Barclays Personal Investment Management, having joined BZW in 1988 from research at Cambridge University. During his time at Barclays, James was Head of Investment for Charities. He was appointed an Executive Director of CCLA in 2006.

Elizabeth Sheldon – Chief Operating Officer

Elizabeth is responsible for all financial and operational matters at CCLA on behalf of clients. She was appointed Chief Operating Officer of CCLA in November 2018. Prior to this Elizabeth was Head of Change at CCLA responsible for leading the change programme, including implementing an effective governance structure. After qualifying as a Chartered Accountant with an audit practice specialising in the 'not for profit' sector, Elizabeth joined the financial services audit team at Ernst and Young. From there she moved on to Man Group working in a number of areas including operations and a large outsourcing project. Elizabeth is a Fellow of the Institute of Chartered Accountants and has a BSc in Geography from University College London. Elizabeth is also a trustee of The Donkey Sanctuary. She was appointed an Executive Director of CCLA in December 2018.

Executive Directors (continued)

Andrew Robinson MBE – Director Market Development

Prior to joining the Company, Andrew was Head of Community Development Banking for RBS and NatWest, responsible for the not-for-profit and social enterprise sectors. Before joining NatWest, he was the founding Executive Director of the UK's first community development finance institution to provide loan finance to voluntary and community sector organisations working in the most disadvantaged communities in England. Prior to these roles he worked for the Royal Bank of Canada, a foundation and a health related charity. Currently Andrew is a trustee of RBS Social and Community Capital and an Advisor to Switchback. Previously he was: the Chair of the Community Development Foundation; Vice Chair of the Lankelly Chase Foundation; a Trustee of the Local Trust; and a Trustee of Locality, having been a trustee of both the Development Trusts Association and Bassac. Andrew is also a Fellow of the Royal Society for the Arts and was awarded an MBE for services to social and community enterprise in 2003. He was appointed an Executive Director of CCLA in 2006.

Corporate Governance Report

The Company is not required to comply with the UK Corporate Governance Code ('the Code') published by the Financial Reporting Council, but, in view of its support for good corporate governance, has decided to include those aspects of the Code which it believes to be relevant. This report describes the policies and arrangements in place by the Company for the year ended 31 March 2021.

Leadership

Our Board of Directors

At 31 March 2021, the Board comprised four Executive and six Non-Executive Directors including the Chair. The Board is responsible for the direction of the Company's and the Group's business, its strategy and overall financial management and acts in accordance with the Schedule of Matters Reserved for the Board as adopted by the Board.

Independence of Directors

Following an independent review of the CCLA Board in 2019, the remit of the Remuneration and Nominations Committee was significantly widened. It's responsibilities are detailed on pages 46 to 47 of this Report. To comply with the recommended number of Independent Non-Executive Directors CCLA appointed a third Independent Non-Executive Director who also became the Chair of this Committee.

In addition, Board Membership is determined by the constitutional framework of the Company and under the Company's Articles of Association each holder of 10 per cent or more of the Ordinary Shares or Non-Voting Ordinary Shares (other than an employee Shareholder) is entitled to appoint one person to be a Non-Executive Director of the Company.

The Board is considered to have the appropriate balance of skills, experience, independence and knowledge of the Company to discharge their fiduciary duties and responsibilities effectively.

Frequency of Meetings

The Board met formally four times in the year ended 31 March 2021. In addition, the Executive Directors regularly meet to review matters relating to the day to day management of the Company.

Election and Succession of Directors

The Remuneration and Nominations Committee thereby allocates significant time to discuss succession planning and appointments for both the Board of Directors and Management, focusing on the strategic and commercial issues, priorities and main trends and factors affecting the long-term success and future viability of the Company.

CCLA has a clear policy on the recruitment and remuneration of new Executive Directors taking into consideration a number of elements:

- Service Contract: All Executive Directors have contracts of employment which may be terminated by CCLA or the individual by giving notice between six and twelve months (dependent on role).
- Base Salary: Salaries are set by the Remuneration and Nominations Committee, taking into consideration a number of influential factors such as experience and skills against industry benchmarks.
- Discretionary Bonus: Bonuses are set by the Remuneration and Nominations Committee, based on an assessment of the individual's contribution, the Company's performance and industry benchmarks. A proportion of all bonuses over an agreed level are deferred for three years.
- Performance Share Plan: To encourage greater Management/Shareholder alignment and to retain talent within the business, a discretionary long-term incentive scheme is offered to Executive Directors.

Board Diversity Policy

The CCLA Board continues to recognise the importance of diversity in its membership and appointments are based on merit, measured against objective criteria and the skills and experience the individual can bring to the Board. The CCLA Directors agree that boards perform best when they include people with a diverse range of skills, perspectives and backgrounds. At CCLA, these differences are considered in determining the optimum composition of the Board and when possible should be balanced appropriately. As at the year end, three out of ten of CCLA's Directors were women.

Board and Committee Attendance

	CCLA Board Meetings held: 4 Attendance:	Audit and Risk Committee Meetings held: 4 Attendance:	Remuneration and Nominations Committee Meetings held: 3 Attendance:
Richard Horlick*	4		
Jonathan Jesty (appointed 24 April 2020)	4	4	3
Christine Johnson	4	4	3
Glenn Newson	4	4	3
Ann Roughead (appointed 24 April 2020)	4	4	3
John Tattersall (resigned 8 July 2020)	2	2	0
Chris West (appointed 8 March 2021)	0	0	0
Peter Hugh Smith*	4		
James Bevan*	4		
Andrew Robinson*	4		
Elizabeth Sheldon*	4		

*The Chair and the Executive Directors are not members of the Audit and Risk Committee or the Remuneration and Nominations Committee therefore their attendance has been left blank.

Share ownership

The Ordinary Shares are owned by The CBF Church of England Investment Fund, the COIF Charities Investment Fund, LAMIT, the CCLA Employee Share Trust, the CCLA Share Incentive Plan and the Executive Directors as detailed on page 83.

The Non-Voting Ordinary Shares are owned by the COIF Charities Investment Fund.

Audit and Risk Committee

The Audit and Risk Committee meets at least three times a year and its membership is the Non-Executive Directors of CCLA excluding the Chair of the Company, who attends by invitation. The Chair of the Audit and Risk Committee is Jonathan Jesty.

Core Activities

The duties of the Audit and Risk Committee are to:

- review the annual financial statements of the Company;
- perform oversight of principal risks;
- review the whistleblowing procedures of the Company;

Core Activities (continued)

- monitor and review annually the terms of appointment and remuneration of the External Auditors and their independence;
- monitor the engagement of the External Auditors to supply non-audit services;
- receive regular reports from the Chief Risk Officer;
- monitor CCLA's engagement with the outsourced Internal Audit function, meet with and receive a summary of major issues from the Internal Auditors and review and approve the Internal Audit plan; and
- report the Audit and Risk Committee's proceedings and any recommendations it may make to the Board of Directors.

External Auditors

PricewaterhouseCoopers LLP continued as our External Auditors, with Thomas Norrie as the engagement leader for the 2020/2021 financial year. The Committee considers the effectiveness of the External Auditor on an ongoing basis, reviewing its independence, objectivity and professionalism through its own observations and interactions with the External Auditor. The Committee is overseeing an audit tender process in the coming year.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee's membership comprises the Non-Executive Directors excluding the Chair of the Company, who attends by invitation. The Chair of the Remuneration and Nominations Committee is Ann Roughead. The Committee develops CCLA's Remuneration Policy and Remuneration Philosophy for approval by the Board and ensures there is a rigorous and transparent procedure for Board appointments.

The duties of the Remuneration and Nominations Committee are to:

- Actively engage with the Company's Remuneration Policy and philosophy and amend its Terms of Reference when necessary.
- Set a strategy that ensures the best talent is recruited, retained and motivated to deliver results. Where necessary, it utilises external consultants and independent surveys for market benchmarking.
- Determine the terms of employment and remuneration for the Senior Executive Management team, including recruitment, pension and termination arrangements.
- Approve performance related pay schemes and employee incentive structures operated by the Company, in line with the Company policy and philosophy.
- Identify and nominate for the Board's approval appropriate candidates to fill Board vacancies, bearing in mind the Company's Diversity Policy.

Remuneration and Nominations Committee (continued)

- Consider proposals made by any Director or Shareholder for the appointment, removal and promotion of a Director.
- Actively evaluate the balance of skills, experience, independence, knowledge and diversity of the Board against the future challenges affecting the Company.
- Keep under review the number of external appointments held by each Director.

Executive Committee

The Executive Committee is the Chief Executive and Executive Directors' forum for information sharing, discussion, challenge and decision making. Its activities include:

- development and approval of recommendations to be made to the Board;
- approval of major decisions within the powers delegated by the Board;
- approval of major policies;
- monitoring of all areas of activity including operating and financial performance, client investment performance, marketing and net new client flows;
- assessment and control of risk and compliance with legal and regulatory duties; and
- monitoring of HR, legal, company secretarial and administrative issues.

Internal control

The Directors and Senior Management of CCLA are responsible for internal controls within the Group and Company. The control environment is based upon a culture of sound corporate governance, and key aspects of the system of internal control include:

- Non-Executive Directors, Executive Directors and Departmental Managers;
- management and financial controls;
- operational controls, including authorisation limits and segregation of duties;
- documented procedures and operations manuals;
- an operational risk management framework embedded throughout the business;
- a staff training and competence regime;
- compliance and internal audit monitoring and reporting;
- a whistleblowing policy and procedure which meets industry standards;
- an investment risk function independent of the front office;

Internal control (continued)

- information system security;
- change management protocols;
- monitoring of outsourced service providers; and
- business continuity arrangements.

The Directors of CCLA are responsible for the design, implementation and maintenance of the control framework to ensure, with reasonable assurance, on an ongoing basis, that suitable controls exist. In carrying out these responsibilities, the Directors have regard not only to the interests of clients, but also to those of the owners of the business and the general effectiveness and efficiency of the relevant operations, together with compliance with applicable laws and regulations.

In establishing and reviewing the system of internal control, the Directors have regard to the materiality of relevant risks, the likelihood of a loss being incurred or objectives failing to be achieved, and the cost of control. It follows, therefore, that the system of internal control can only provide reasonable, not absolute, assurance that specified control objectives will be achieved on an ongoing basis.

Operational risk management

The Board is responsible for the oversight of the risk management process within the Group and Company.

A Risk Committee has been established by the Executive Committee, which meets at least quarterly and is chaired by the Chief Risk Officer. Its purpose is to review and monitor the adequacy of CCLA's Compliance, Internal Audit, Investment Risk and Enterprise Risk framework which includes the operational risk aspects.

Through the implementation of a risk event and near miss management process, risk events arising in operational areas are now logged and are included in the Enterprise Risk report tabled at the Risk Committee where they are reviewed. Similar reports are produced for the Executive Committee and Audit and Risk Committee. The risk event and near miss management process is a powerful tool for identifying and promptly addressing weak or poorly performing control environments across all functional areas.

Risk and Control Self Assessments (the 'RCSAs') were also conducted across all pertinent business areas of CCLA and the controls are reviewed and enhanced wherever residual risk ratings have been deemed medium or high. RCSAs are to be refreshed on an annual basis.

In line with risks experienced by the wider investment management community, CCLA has identified operational risk as a key risk faced by CCLA. This is reflected and acknowledged in CCLA's Risk Appetite Framework and Key Risk Library. Whilst senior management is informed of operational risk exposures via bottom-up risk management activities mentioned previously, we also utilise top-down measures including metrics, limits and KRI's to manage and track CCLA's exposure to operational risk.

Disaster recovery and business continuity

CCLA has a well-established disaster recovery and business continuity committee formed by the Executive Directors to ensure that appropriate arrangements are in place for business continuity. This includes a documented business recovery plan which is subject to an agreed cycle of testing. The disaster recovery and business continuity committee consists of a number of senior employees from departments across CCLA. The committee meets regularly to review and update procedures and review the outcomes of the testing. The ongoing pandemic has proved that our systems operate effectively when used remotely and Teams has become embedded as the core communication tool to enable team collaboration from dispersed locations.

Directors' Remuneration Report

This report describes the Company's overall remuneration policy and the compensation arrangements for Directors for the year ended 31 March 2021.

Remuneration philosophy, policy and compensation arrangements

Remuneration for CCLA staff should be competitive compared with the market, with the aim of being able to hire and retain the best people. We will regularly benchmark remuneration levels against those being paid in the market as a whole. Individual remuneration will depend upon the broad success of the individual, team and organisation in achieving CCLA's short and long-term objectives. We seek to have a good balance between fixed and variable remuneration, bearing in mind the nature of the role. We will defer part of the bonus for the most highly paid members of staff. We will ensure that our benefits are reasonably competitive.

The Board and the Remuneration and Nominations Committee set the context and high level limits for the annual remuneration review and specifically approves the remuneration level for the Executive Directors and Chief Risk Officer. Remuneration for the rest of the staff will be set by the Executive Directors with oversight by the Remuneration and Nominations Committee. No individual has the ability to set their own remuneration.

Directors' remuneration and fees (audited)

Fees for the Non-Executive Directors are determined annually by the Board having regard to both the level of fees payable to Non-Executive Directors generally in the industry and to their responsibilities. For the year ended 31 March 2021 the Non-Executive Directors' fees were set at £75,000 p.a. for the Chair (2020: £75,000 p.a.), £42,500 p.a. for the Chair of the Audit and Risk Committee (2020: £42,500 p.a.) £37,500 for the Chair of the Remuneration and Nominations Committee, and £32,500 p.a. for the other Non-Executive Directors (2020: £32,500 p.a.).

Directors' remuneration and fees (audited) (continued)

Three Executive Directors participated in the Group Personal Pension Scheme provided by Legal and General. Details of this Scheme are set out in notes 1(f) and 5 of the notes to the financial statements. One Executive Director participated in other schemes (2020: one).

The benefits-in-kind provided to the Executive Directors include season ticket loans, private healthcare and life assurance protection, which is partly provided through the pension schemes and partly through separate life assurance policies. These benefits are also available to all employees under their terms and conditions of employment.

During the year four (2020: five) Directors participated in the Long Term Incentive Plan. Note 19 contains details of the plan.

Directors' remuneration and fees in the year were as follows:

	2021 £'000	2020 £'000
Emoluments paid to Executive Directors	2,452	2,545
Emoluments paid to Non-Executive Directors	229	183
Company pension scheme contributions in respect of Directors	16	73
Payments under long-term incentive schemes	620	1,328

The long-term incentive scheme under which payments were made were the CCLA cash-settled Deferred Bonus Plan in the prior year and the CCLA equity-settled Deferred Bonus Plan in the current year.

The highest paid Director received remuneration, excluding pension contribution, of £751,700 (2020: £704,527). Pension contributions were £4,000 (2020: £30,400) and at the year-end £nil (2020: £3,333) was payable to a pension scheme in respect of the highest paid Director. The highest-paid Director received no payments under a long-term incentive scheme (2020: £461,894).

Employee Policies

Diversity and Inclusion

CCLA is an equal opportunities employer and it is our policy to ensure that all job applicants and employees are treated fairly and on merit regardless of race, sex, marital/civil partnership status, age, disability, religious belief, pregnancy, maternity, gender reassignment or sexual orientation. It is in the Company's best interests to ensure that all the talents and skills available are considered when employment opportunities arise. We take every practicable step to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection, training, conditions of work, promotion, career management and every other aspect of employment are based solely on objective and job-related criteria.

Learning and development

CCLA operates in a competitive and changing environment. CCLA is keen to develop a pipeline of high-calibre talent to ensure appropriate skills and succession planning for the future. The staff are highly competent, skilled and knowledgeable and we support them in meeting our business objectives. Learning and development at CCLA is a continuous and important process which enables individuals to perform their current jobs more effectively, understand regulatory changes and take on new responsibilities to achieve their own aspirations and contribute to CCLA's continuing success.

Employee Relations

Engagement with our employees is crucial to the continuing success of CCLA. We communicate regularly and openly with them on matters affecting them and on the issues that have an impact on the performance of the business and actively seek their feedback on these matters.

Communication

Employees are kept fully informed about decisions and developments and the reasons for them through communication, consultation and involvement by appropriate methods. This is achieved through information meetings, weekly staff briefings, seminars, structured meetings or by formal or informal discussions between Managers and their departments, written communication and notice boards.

Health, safety and security

CCLA regards the management of health and safety as an integral part of its business and as a management priority. It is our policy that all activities and work will be carried out in a safe manner and we will ensure the health, safety and welfare of our employees and others who may be affected by our activities. Proper management of health and safety issues is seen as an integral part of the efficient management of the organisation's activities, and critical to developing the professional culture of the organization and establishing and maintaining a solid reputation with all of our clients. CCLA will provide appropriate training and make available competent health and safety advice and adequate resources including time and money so that legal obligations may be met. CCLA reviews its processes, policies, procedures and specific training on an ongoing basis and in accordance with legislation, industry standards, best practice and the operational needs of the organisation.

Jackie Fox
Company Secretary
7 July 2021

Independent Auditors' Report

to the members of CCLA Investment Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, CCLA Investment Management Limited's group financial statements and company financial statements (the 'financial statements'):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2021 and of the group's and company's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the 'Annual Report'), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Assessment of management's going concern analysis, including their assumptions on cash flows;
- Inspection of actual financial information against forecasts to assess the reasonability of management's forecasts;
- Performance of sensitivity analysis over the inputs to the analysis; and
- Review of the disclosure provided relating to the going concern basis of preparation and evaluation of whether management's assessment is in line with the evidence we obtained.

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Corporate governance statement
ISAs (UK) require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Corporate governance statement (continued)
Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the audit committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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 directors are responsible for assessing the group's and the company'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 directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial data through fraudulent posting of journal entries or management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and consideration of work performed by internal audit and Risk and Compliance functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Audit Committee;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, by unexpected users, by the same creator and approver, post-close of the period, and through unexpected sources;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewed the share-based awards policy against the disclosures in the financial statements for accuracy, and reviewed the year-end valuation of the share-based awards. We additionally recalculated a selection of share-based grants and exercises during the year.

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 July 2021

- The maintenance and integrity of the CCLA Investment Management Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Turnover	*3*	50,144	45,462
Administrative expenses	*4*	(37,013)	(33,736)
Operating profit before exceptional items		**13,131**	**11,726**
Exceptional items:			
Defined benefit pension scheme charge	*6*	(705)	–
Project costs	*6*	(963)	–
Operating profit		**11,463**	**11,726**
Interest receivable and similar income		19	202
Profit before taxation		**11,482**	**11,928**
Tax on profit	7	(2,051)	(2,436)
Profit for the financial year		**9,431**	**9,492**

The above results were derived from continuing operations.

The notes on pages 65 to 87 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2021

		2021		2020	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	*8*		1,930		2,371
Tangible assets	*8*		215		393
			2,145		2,764
Current assets					
Debtors	*9*	8,602		7,337	
Cash at bank and in hand	*11*	19,320		13,365	
Cash equivalents	*12*	20,167		20,122	
		48,089		40,824	
Creditors	*13*	13,019		10,971	
Net current assets			35,070		29,853
Total assets less current liabilities			37,215		32,617
Provisions for liabilities and charges	*14*		300		–
Net assets			**36,915**		**32,617**
Capital and reserves					
Called up share capital	*15*		242		242
Share premium account			1,594		1,594
Other reserves			2,367		2,364
EST share reserve			(1,693)		(2,113)
Treasury shares			(2,146)		(1,100)
Profit and loss account			36,551		31,630
Total equity			**36,915**		**32,617**

The notes on pages 65 to 87 form part of these financial statements.

These financial statements on pages 59 to 87 were approved and authorised for issue by the Board of Directors on 7 July 2021 and signed on its behalf by:

Richard Horlick
Chair

Peter Hugh Smith
Chief Executive

Registered number: 02183088

Company Statement of Financial Position

as at 31 March 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Subsidiary undertaking	*20*		2,700		2,700
Intangible assets	*8*		1,930		2,371
Tangible assets	*8*		215		393
			4,845		5,464
Current assets					
Debtors	*9*	5,311		4,976	
Cash at bank and in hand	*11*	8,783		7,044	
Cash equivalents	*12*	9,936		9,914	
		24,030		21,934	
Creditors	*13*	9,956		8,814	
Net current assets			14,074		13,120
Total assets less current liabilities			18,919		18,584
Provisions for liabilities and charges	*14*		300		–
Net assets			**18,619**		**18,584**
Capital and reserves					
Called up share capital	*15*		242		242
Share premium account			1,594		1,594
Other reserves			2,367		2,364
EST share reserve			(1,693)		(2,113)
Treasury shares			(2,146)		(1,100)
Profit and loss account			18,255		17,597
Total equity			**18,619**		**18,584**

The Company has elected to take the exemption under s408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The profit for the Company for the year was £5,168,000 (2020: £6,502,000).

The notes on pages 65 to 87 form part of these financial statements.

These financial statements on pages 59 to 87 were approved and authorised for issue by the Board of Directors on 7 July 2021 and signed on its behalf by:

Richard Horlick
Chair

Peter Hugh Smith
Chief Executive

Registered number: 02183088

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

	Ordinary Share capital £'000	Share premium account £'000	Profit and loss account £'000	EST share reserve £'000	Treasury shares £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2019	**242**	**1,594**	**25,553**	**(1,499)**	**–**	**1,724**	**27,614**
Profit for the financial year	**–**	**–**	**9,492**	**–**	**–**	**–**	**9,492**
Equity dividends paid	–	–	(3,541)	–	–	–	(3,541)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	(614)	–	–	(614)
Treasury shares acquired (note 1(g)(ii))	–	–	–	–	(1,100)	–	(1,100)
Amortisation less settlement of equity-settled awards	–	–	–	–	–	640	640
Gains and losses from transfers of share by Employee Share Trust	–	–	(85)	–	–	–	(85)
Tax movement relating to equity-settled awards (note 7)	–	–	211	–	–	–	211
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(3,415)**	**(614)**	**(1,100)**	**640**	**(4,489)**
Balance as at 31 March 2020	**242**	**1,594**	**31,630**	**(2,113)**	**(1,100)**	**2,364**	**32,617**
Profit for the financial year	**–**	**–**	**9,431**	**–**	**–**	**–**	**9,431**
Equity dividends paid	–	–	(3,451)	–	–	–	(3,451)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	422	–	–	422
Treasury shares acquired (note 1(g)(ii))	–	–	–	–	(1,046)	–	(1,046)
Settlement of equity-settled awards	–	–	–	–	–	(1,261)	(1,261)
Amortisation of equity-settled awards	–	–	–	–	–	1,264	1,264
Gains and losses from transfers of shares by Employee Share Trust	–	–	(1,241)	–	–	–	(1,241)
Tax movement relating to equity-settled awards (note 7)	–	–	182	–	–	–	182
Unallocated SIP Shares	–	–	–	(2)	–	–	(2)
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(4,510)**	**420**	**(1,046)**	**3**	**(5,133)**
Balance as at 31 March 2021	**242**	**1,594**	**36,551**	**(1,693)**	**(2,146)**	**2,367**	**36,915**

The notes on pages 65 to 87 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 March 2021

	Ordinary Share capital £'000	Share premium account £'000	Profit and loss account £'000	EST share reserve £'000	Treasury shares £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2019	**242**	**1,594**	**14,510**	**(1,499)**	**–**	**1,724**	**16,571**
Profit for the financial year	**–**	**–**	**6,502**	**–**	**–**	**–**	**6,502**
Equity dividends paid	–	–	(3,541)	–	–	–	(3,541)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	(614)	–	–	(614)
Treasury shares acquired (note 1(g)(ii))	–	–	–	–	(1,100)	–	(1,100)
Amortisation less settlement of equity-settled awards	–	–	–	–	–	640	640
Gains and losses from transfers of share by Employee Share Trust	–	–	(85)	–	–	–	(85)
Tax movement relating to equity-settled awards (note 7)	–	–	211	–	–	–	211
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(3,415)**	**(614)**	**(1,100)**	**640**	**(4,489)**
Balance as at 31 March 2020	**242**	**1,594**	**17,597**	**(2,113)**	**(1,100)**	**2,364**	**18,584**
Profit for the financial year	**–**	**–**	**5,168**	**–**	**–**	**–**	**5,168**
Equity dividends paid	–	–	(3,451)	–	–	–	(3,451)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	422	–	–	422
Treasury shares acquired (note 1(g)(ii))	–	–	–	–	(1,046)	–	(1,046)
Settlement of equity-settled awards	–	–	–	–	–	(1,261)	(1,261)
Amortisation of equity-settled awards	–	–	–	–	–	1,264	1,264
Gains and losses from transfers of shares by Employee Share Trust	–	–	(1,241)	–	–	–	(1,241)
Tax movement relating to equity-settled awards (note 7)	–	–	182	–	–	–	182
Unallocated SIP Shares	–	–	–	(2)	–	–	(2)
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(4,510)**	**420**	**(1,046)**	**3**	**(5,133)**
Balance as at 31 March 2021	**242**	**1,594**	**18,255**	**(1,693)**	**(2,146)**	**2,367**	**18,619**

The notes on pages 65 to 87 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Net cash from operating activities	*17*	13,691	12,372
Corporation tax paid		(2,103)	(2,004)
Net cash generated from operating activities		**11,588**	**10,368**
Cash flows from investing activities			
Purchases of intangible assets	*8*	(282)	(1,343)
Purchases of tangible assets	*8*	(7)	(89)
Interest received		19	202
Net cash used in investing activities		**(270)**	**(1,230)**
Cash flows from financing activities			
Net sales/(acquisitions) of Ordinary Shares by Employee Share Trust		420	(614)
Acquisition of Treasury shares		(1,046)	(1,100)
Net losses on transfers of CCLA shares by Employee Share Trust		(1,241)	(85)
Dividends paid	*16*	(3,451)	(3,541)
Net cash used in financing activities		**(5,318)**	**(5,340)**
Net increase in cash at bank and in hand		**6,000**	**3,798**
Cash and cash equivalents at the beginning of the year		**33,487**	**29,689**
Cash and cash equivalents at the end of the year		**39,487**	**33,487**
Cash and cash equivalents consist of:			
Cash at bank and in hand	*11*	19,320	13,365
Cash equivalents	*12*	20,167	20,122
Cash and cash equivalents		**39,487**	**33,487**

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, paragraph 1.12(b) not to present the Company Statement of Cash Flows.

The notes on pages 65 to 87 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting policies

(a) Basis of accounting

The Group financial statements consolidate the financial statements of CCLA Investment Management Limited and its subsidiary undertaking, CCLA Fund Managers Limited. The Group and Company financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements are prepared on the going concern basis and under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual statement of comprehensive income. The Company has also taken advantage of an exemption from presenting its individual statement of cash flows as described on page 64.

(b) Turnover

The Group's primary source of turnover is fee income from investment management activities. The fees are generally based on an agreed percentage of the valuation of the assets under management and are recognised as the service is provided and it is probable that the fee will be received.

(c) Administrative expenses

Administrative expenses represent amounts incurred by the Group in the conducting of its business.

(d) Interest income

Interest income comprises interest on cash, bank balances and short-term money market deposits and is accounted for on an accruals basis.

(e) Fixed assets

The Group's fixed assets are stated at cost less accumulated depreciation or accumulated amortisation. Depreciation and amortisation are calculated, using the straight line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows.

Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting policies *(continued)*

(e) Fixed assets (continued)

(i) Intangible Assets – Software

The expected useful life of software is to the end of the contract with the software supplier, subject to the following:

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised as an expense as incurred.

(ii) Tangible assets: Leasehold Improvements

The expected useful life of leasehold improvements is to the end of the lease term.

(iii) Tangible assets: General Equipment

The expected useful life of general equipment is three to five years.

The carrying values of fixed assets are reviewed when events or changes in circumstances indicate that the carrying values of assets may not be recoverable. Depreciation, amortisation expenses and any impairment charges are included in administrative expenses in the statement of comprehensive income.

Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting policies *(continued)*

(f) Pension schemes

During the year most staff were either members of the Church of England Pension Builder 2014 Scheme ('CEPB') or the Group Personal Pension Scheme ('GPP'), which is operated by Legal and General. The CEPB is a hybrid scheme for which bonuses are declared each year based on investment performance. The GPP is a defined contribution scheme. The Company also has obligations in respect of its sub-pool of the Church of England Defined Benefit Scheme ('DBS'), and potential obligations in respect of its sub-pool of the Church of England Pension Builder Classic Scheme ('PBC'), a hybrid scheme, both of which have been closed to future accrual by the Company.

(i) Open pension plans

The GPP covers employees over the age of 18 who earn more than £30,000 per annum. Pension contributions payable by the Company are charged to profit and loss within the statement of comprehensive income as they fall due. The CEPB covers employees over the age of 18 who earn less than approximately £30,000 per annum. The CEPB is a multi-employer hybrid pension scheme and the Company has insufficient information about its assets and liabilities within the CEPB to carry out defined benefit pension accounting. Accordingly, the Company accounts for the scheme as a defined contribution plan and pension contributions payable by the Company are charged to profit and loss within the statement of comprehensive income as they fall due.

The Company has no further payment obligations beyond the ongoing contributions related to the above schemes. The contributions are recognised as an expense when they are due. Amounts not paid, if any, are shown in creditors in the statement of financial position. The assets of the plans are held separately from the Group and Company in independently administered funds.

(ii) Closed pension plans

From 1 October 2012, participation in accrual of benefits in the DBS ceased. The DBS is a multi-employer defined benefit pension scheme and the Company has insufficient information about its assets and liabilities within the DBS to carry out defined benefit pension accounting. Accordingly, the Company accounts for the scheme as a defined contribution plan and only accounts for scheme administrative expenses on an ongoing basis unless contributions are required to the DBS, in which case the contribution is accounted for as an exceptional expense.

The PBC is a hybrid scheme which builds up annuity obligations to members based upon bonuses declared each year based upon investment performance. It is also a multi-employer scheme for which defined contribution accounting is followed because of limits to information, although no contributions have been sought from the Company since it was closed to future accrual.

Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting policies *(continued)*

(f) Pension schemes (continued)

(ii) Closed pension plans *(continued)*

The contributions required by CCLA are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The Church of England Pensions Board administers the DBS, the CEPB, and the PBC and is independent of the Company and the Company's finances.

(g) Share based payments

(i) Cash-settled awards – deferred bonuses

The Company has made awards of deferred bonuses to certain employees based upon the total return from its shares or its managed funds over vesting periods, to be settled in cash. The liability in respect of these awards is recognised over service periods, which includes the bonus period over which the awards were earned and runs until the earlier of the date of vesting or the date upon which the employee is entitled to retire as a good leaver, whichever is earlier.

As at each reporting date, the fair value of the liability which has been accrued to date is included in creditors, and the resulting expense in each period is recognised in the income statement within administrative expenses. When the award value is determined by reference to CCLA shares, the fair value is independently reviewed by an independent valuer, taking account of factors including sales, funds under management, and a price/earnings multiple. On vesting, liabilities are paid out as cash to settle the awards.

(ii) Cash-settled awards – LTIP

The Company operates a Long Term Incentive Plan ('LTIP') under which Executive Directors may purchase a specified number of shares at an independent valuation with the support of loans from the Company, as described on page 33 and in note 19. Under the terms of the LTIP, loans made prior to June 2019 to support shares allocated are accounted for as loans. For shares acquired by Directors under the LTIP from June 2019 onwards, changes have been made to the terms of the plan so that Directors have more protection against downward share price movements. As a result, shares acquired in the LTIP from that date onwards have been assessed to be cash-settled share-based payments. The accounting followed is outlined below.

- The cost of shares, funded initially by the Company, is shown as Treasury shares rather than accounted for as a loan.
- The service period is deemed at the outset to be five years or until the Director reaches the age of 60 if earlier, but liabilities in respect of the awards continue to be revalued until vesting, when the loans funding the share purchases are fully repaid or written off.

Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting policies *(continued)*

(g) Share based payments (continued)

(ii) Cash-settled awards – LTIP *(continued)*

- As at each reporting date, the fair value of the liability which has been accrued to date is included in creditors and the resulting expense in each period is recognised in the income statement within administrative expenses.
- The fair value is independently reviewed by an independent valuer as described in 1(g)(i) above. For these awards, the fair value also includes dividends paid to the Directors. For this reason, some of the Company's dividends are recognised in the income statement within administrative expenses.
- On vesting, liabilities are offset against Treasury shares, with differences in value settled in the statement of changes in equity to profit and loss reserves.

(iii) Equity-settled awards – deferred bonuses

The Company has made awards of deferred bonuses to certain employees based upon the total return from its shares over vesting periods, to be settled in the equity of the Company. The charge in respect of these awards is recognised over service periods, which includes the bonus period over which the awards were earned and runs until the earlier of the date of vesting or the date upon which the employee is entitled to retire as a good leaver, whichever is earlier.

The amount to be charged over service periods in respect of equity-settled awards is the fair value at the date the awards were granted. As at each reporting date, the charge to date is recognised in the income statement within administrative expenses, with the other side of the accounting entries being taken to other reserves. The fair value is independently reviewed by an independent valuer, taking account of factors including sales, funds under management and a price/earnings multiple. On vesting, the other reserves are replaced by other categories of equity, reflecting the award of shares to settle the awards.

(iv) Equity-settled awards – Share Incentive Plan ('SIP')

Employees may purchase shares in the Company through the SIP every six months, at a price set at the lower of the latest valuation at the start and end of each six month 'accumulation period', by subscribing up to £150 per month. The Company matches these share purchases with an equal number of free matching shares. These are charged in the income statement at a value equal to the price of the shares purchased by employees, taken to be the fair value. Employees retain these shares unconditionally (except in the case of dismissal for gross misconduct) and so there is no vesting period. The charge is matched by credits taken to equity. Leavers must sell their shares, leading to some unallocated shares in the SIP from time to time, the cost of which is included in the EST Share Reserve.

Notes to the Financial Statements

for the year ended 31 March 2021

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

(h) Taxation

Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in profit and loss within the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Amounts recognised directly in equity in the current and prior year are current and deferred tax credits on revaluations of equity-settled awards, which are themselves not accounted for as the charge in the income statement is based upon fair values at grant date.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated based on tax rates and laws that have been enacted or are substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the reporting date, where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at rates expected to apply in the periods in which timing differences reverse, based on rates and laws enacted or substantively enacted at the reporting date.

(i) Operating leases

Rentals payable under operating leases are charged to profit and loss within the statement of comprehensive income on a straight-line basis over the period of the lease. Incentives received to enter an operating lease are credited to profit and loss within the statement of comprehensive income, to reduce lease expense, on a straight-line basis over the full period of the lease.

Notes to the Financial Statements

for the year ended 31 March 2021

1. Accounting policies *(continued)*

(j) Basis of consolidation

The Group consolidated financial statements for the year ended 31 March 2021 include the financial statements of the Company and its subsidiary undertaking. A subsidiary is an entity controlled by the Group. Control is exercised when the Company has the power to determine the financial and operating policies of an entity so as to benefit from its activity. All intra-Group transactions, balances, income and expenses are eliminated upon consolidation.

(k) Financial instruments

(i) Basic financial assets and liabilities, including debtors, Directors' loans, cash at bank and in hand, cash equivalents and creditors are initially recognised at transaction price, which is indicative of fair value. Such assets are subsequently carried at amortised cost.

(l) Investment in subsidiary

Investment in the subsidiary company is held at cost less accumulated impairment losses.

(m) Exceptional items

Exceptional items are those non-recurring and one-off charges or credits that, in the Directors' view, are required to be disclosed separately by virtue of their nature, materiality or incidence to enable a full understanding of the Group's financial performance. They include exceptional charges arising after triennial pension funds valuations as described in note 1(f)(ii). They also include project costs. Details of these items are provided in note 6.

(n) EST share reserve

Shares of the Company held within the CCLA Employee Share Trust are accounted for at cost in the EST share reserve, a negative offsetting reserve within the Group's and Company's equity. This negative reserve also accounts for unallocated shares held in the Share Incentive Plan.

(o) Treasury shares

Shares of the Company held by Directors as part of the Long Term Incentive Plan from June 2019, as described in note 1(g)(ii) above, are accounted for at cost as Treasury shares, a negative offsetting reserve within the Group's and Company's equity.

(p) Other reserves

Other reserves represent cumulative amortisation on equity-settled share based payments which have not yet vested.

(q) Profit and loss account

Profit and loss account represents distributable reserves.

Notes to the Financial Statements
for the year ended 31 March 2021

2. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and may be categorised as:

(a) Critical judgements in applying the Group's accounting policies

The Group participates in a multi-employer defined benefit plan (see note 1(f)). In the judgement of the Directors, the Group does not have sufficient information on the plan assets and liabilities to be able to account reliably for its share of the defined benefit obligation and plan assets. The plan is closed to future accrual, so charges relate to expenses charged to profit and loss and payments to contribute to plan deficits, which will be accounted for as exceptional charges.

(b) Critical accounting estimates and assumptions

(i) The annual depreciation and amortisation charge for tangible and intangible assets is sensitive to changes in estimated useful economic lives and residual values, if any, of the assets. These are re-assessed annually. Fixed assets are shown in note 8.

(ii) The charge for share-based payments to be settled in cash and the employer's national insurance provision in respect of all share-based payments are both sensitive to changes in the fair value of the Company's shares. The charge for all share-based payments is also sensitive to changes to service periods. These are re-assessed annually. The charge, liability, and equity movements are disclosed in note 5.

3. Turnover

The turnover of the Group was made entirely in the United Kingdom and derives from the class of business as noted in the Strategic Report.

	2021 £'000	2020 £'000
Fees from pooled funds	47,174	42,771
Other fees	2,970	2,691
	50,144	45,462

Notes to the Financial Statements
for the year ended 31 March 2021

4. Administrative expenses

	Note	2021 £'000	2020 £'000
Administrative expenses included:			
Staff costs	*5*	25,088	20,991
Other administrative costs		10,427	11,761
Depreciation of tangible assets		185	202
Amortisation of intangible assets		723	168
Operating lease costs for premises		448	448
Foreign exchange (gains)/losses		(6)	28
Auditors remuneration:			
Fees payable to the Company's auditors for the audit of the Company and the Group's consolidated financial statements		56	41
Fees payable to the Company's auditors for other services:			
– Audit of the Company's subsidiary		16	11
– Audit-related assurance services of the Company and the Company's subsidiary		65	53
– Tax compliance services of the Company and the Company's subsidiary		11	33
		37,013	33,736

Notes to the Financial Statements

for the year ended 31 March 2021

5. Employees and Directors

The monthly average number of full time equivalent staff including temporary staff employed by the Company, including Executive Directors, by function was:

	2021	2020
Administration and Finance	65	66
Investment Management and Research	31	33
Business Development and Client Service	39	30
Company Secretarial and Risk & Compliance	10	8
	145	137

All of the Group's employees are employed by the Company.

The costs incurred in respect of these employees were:

	2021 £'000	2020 £'000
Wages and salaries	18,426	15,717
Share-based payments	2,038	988
Social security costs	2,593	2,130
Other pension costs	1,399	1,264
	24,456	20,099
Other staff costs	632	892
	25,088	20,991

Details of Directors' remuneration can be seen on pages 49 to 50 within the Directors' Remuneration Report. The Executive Directors and Chief Risk Officer are considered to be the Group's Key Management Personnel.

Pension costs

Open Pension Schemes

During the year, the Company operated two pension schemes, the Church of England Pension Builder 2014 Scheme ('CEPB') and the Group Personal Pension Scheme ('GPP') operated by Legal and General.

Notes to the Financial Statements

for the year ended 31 March 2021

5. Employees and Directors *(continued)*

Pension costs *(continued)*

Open Pension Schemes (continued)

The cost of contributions payable by the Company to the CEPB administered by the Church Workers Pension Fund amounted to £152,000 (2020: £145,000). Contributions amounting to £15,000 (2020: £15,000) were outstanding at the year end. Life assurance costs for this Scheme amounted to £10,000 (2020: £9,000).

The cost of contributions payable by the Company to the GPP amounted to £1,231,000 (2020: £1,103,000). Contributions amounting to £135,000 (2020: £126,000) were outstanding at the year end.

Life assurance costs for members outside the Church Workers Pension fund amounted to £36,000 (2020: £29,000).

Defined Benefit Pension Scheme

Until 1 October 2012, some staff participated in the Church of England Defined Benefits Scheme ('DBS'), part of the Church Workers Pension Scheme. The Group now only accounts for annual administration expenses charged from the DBS unless an exceptional expense arises following an actuary's valuation (see below and note 1(f)). Expenses charged amounted to £12,000 in the year to 31 March 2021 (2020: £12,000).

During the year to 31 March 2021, the results of the triennial actuarial valuation for the Company's section of the DBS as at 31 December 2019 was made available to the Company, showing an exceptional expense of £705,000 in the year. As a result the Company and the DBS agreed to a deficit funding plan, whereby the expense was added to the existing deficit and will be paid monthly until March 2028. During the year, the company made repayments amounting to £92,000 (2020: £92,000) which included an interest charge of £32,000 (2020: £35,000) in relation to this plan. As at 31 March 2021, there was an outstanding balance of £1,235,000 (2020: £589,000) which represents the present value of future contributions.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns. The division of the Scheme into sub-pools is notional and is for the purpose of calculating ongoing contributions. It does not alter the fact that the assets of the Scheme are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

Notes to the Financial Statements

for the year ended 31 March 2021

5. Employees and Directors *(continued)*

Pension costs *(continued)*

Defined Benefit Pension Scheme (continued)

Information relating to the valuation as at 31 December 2019 is as follows:

Market value of the DBS in total	£426.6m
Market value of the CCLA sub-pool	£13.3m
Market value of the Life Risk Pool	£227.6m

The Life Risk Pool cannot be apportioned to each employer's sub-pool.

As at 31 March 2021, the Company's section of the DBS had 45 deferred members, 22 pensioner members, 4 beneficiary members and no active members. As at 31 March 2020, there were 47 deferred members, 20 pensioner members, 4 beneficiary members and no active members.

Other Pension costs

The Company incurred other pension costs of £4,000 (2020: £5,000) during the year. These comprised payments into defined contribution pension schemes not administered by the Company.

Share Based Payments

As at 31 March each year, certain staff were granted deferred bonus awards linked to the performance of CCLA managed funds over vesting periods. All of these awards are due to be settled in cash. The charge for these awards in the year was £128,000 (2020: £120,000), including employer's National Insurance. The liability in respect of these awards is included in accruals. As at 31 March 2021, the liability totalled £250,000 (31 March 2019: £263,000), including employer's National Insurance.

As at 31 March each year, deferred bonus awards linked to the total return of CCLA shares over vesting periods were granted to the Executive Directors and certain other staff. These awards are due to be settled in the equity of the Company. The charge for these awards in the year was £1,546,000 (2020: £939,000), including employer's National Insurance. The amortisation in respect of these awards is reflected in the Statement of Changes in Equity and shown as Other Reserves. As at 31 March 2021, Other Reserves totalled £2,367,000 (31 March 2020: £2,364,000), with a provision of £438,000 (31 March 2020: £483,000) for employer's National Insurance on these awards included as a liability within accruals.

During the year, cash-settled and equity-settled awards granted on 31 March 2017 and later awards made to a retired Executive Director were settled.

Notes to the Financial Statements

for the year ended 31 March 2021

5. Employees and Directors *(continued)*

Share Based Payments *(continued)*

The equity-settled deferred bonus awards have been granted in the form of nil-cost options, movements in which are shown below:

	2021	2020
Outstanding as at 31 March 2020 (2019)	16,012.76	12,380.31
Adjustment for forfeiture	–	(103.44)
100:1 share split, 1 April 2020	1,585,263.29	–
Revised number of shares brought forward	1,601,276.05	12,276.87
Movements in the year:		
Option exercises on vesting of awards	(757,939.29)	(948.87)
Options increased following the declaration of a dividend	37,537.24	523.16
Options from new deferred bonus awards	355,177.72	4,161.60
Outstanding as at 31 March 2021	1,236,051.72	16,012.76

Fractions of shares are settled in cash

Equity-settled awards have also been made in the form of matching shares in the SIP (see note 1(g)(iv)). During the year, 28,949 matching shares were allotted to the SIP at a charge of £85,000 (2020: £nil) and a further accrual of £98,000 (2020: £nil) was made at the year end for matching shares to be allotted in April 2021.

The expenses (including employer's National Insurance) for all of these awards are included as staff costs within administrative expenses.

During the year, the Company allotted shares to Executive Directors under the terms of the LTIP. As described in note 1(g)(ii), these allocations of shares under the LTIP are accounted for as cash-settled share-based payments. A total of 357,700 shares (2020: 3,453 shares) were allotted during the year under the LTIP, at a cost of £1,060,500 (2020: £1,100,000), shown as Treasury shares. The charge during the year for these awards was £479,000 (2020: £100,000), comprising charges over service periods of £374,000 (2020: £71,000) and charges for dividends of £105,000 (2020: £29,000). None of these awards vested in the year.

Notes to the Financial Statements

for the year ended 31 March 2021

5. Employees and Directors *(continued)*

Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in administrative expenses in the statement of comprehensive income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

The total charges for cash and deferred bonuses were:

	2021 £'000	2020 £'000
Cash bonuses	6,520	5,632
Deferred bonuses	1,375	887
Total Charge	**7,895**	**6,519**

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

6. Exceptional items

This comprises two charges as follows:

a) A charge arising from the pension deficit and recognised in the triennial actuarial valuation as described in Note 5 above of £705,000 (2020: £nil).

b) This charge for the Group relates to non-recurring projects costs of £963,000 (2020: £nil) arising in relation to costs of upgrading and replacing CCLA's operational processes and infrastructure.

Notes to the Financial Statements

for the year ended 31 March 2021

7. Tax on profit

(a) The charge for tax on the profit for the Group is made up as follows:

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax on the profit for the year	2,453	2,295
Total current tax	2,453	2,295
Deferred tax (recovery)/charge	(401)	135
Total deferred tax (recovery)/charge	(401)	135
Adjustments in respect of prior periods	(1)	6
Tax on profit on ordinary activities	2,051	2,436
Current tax movements in statement of changes in equity (see note 1(h))	(211)	(193)

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK and the difference is made up as follows:

	2021 £'000	2020 £'000
Profit before taxation	11,482	11,928
UK corporation taxation on profits at 19% (2020: 19%)	2,182	2,266
Effects of:		
Expenses not deductible for tax purposes	59	81
Pension deficit timing differences	(12)	(11)
Depreciation below capital allowances	(5)	(26)
Provisions tax adjustment	229	(15)
Movements in deferred tax	(401)	135
Adjustments in respect of prior periods	(1)	6
Tax on profit	2,051	2,436

Notes to the Financial Statements

for the year ended 31 March 2021

7. Tax on profit *(continued)*

(b) Deferred tax asset

	2021 £'000	2020 £'000
At beginning of year	1,133	1,250
Amounts credited/(debited) to profit and loss	401	(135)
Amounts (debited)/credited to statement of changes in equity (see note 1(h))	(29)	18
At end of year	1,505	1,133
Deferred tax consists of the following timing differences:		
Decelerated capital allowances	175	143
Timing differences relating to deferred bonus awards	849	780
Other timing differences	481	210
	1,505	1,133

Tax movements shown in the statement of changes in equity relating to the revaluation of equity-settled share-based payments (see note 1(h)), comprise the following:

	2021 £'000	2020 £'000
Credits to current tax	211	193
(Debits)/credits to deferred tax	(29)	18
	182	211

Deferred tax on amounts expected to crystallise after 1 April 2022 have been calculated at a rate of 25%, rather than the current rate of 19%, as this is the rate which is expected to apply. This has resulted in an increase of the overall deferred tax asset of £253,000, of which £238,000 has been charged to profit and loss and £15,000 to the statement of changes in equity. The former has the effect of significantly reducing the Group's and Company's effective tax rate.

Notes to the Financial Statements
for the year ended 31 March 2021

8. Intangible and Tangible Fixed Assets

In the Group and the Company financial statements, Leasehold Improvements and General Equipment are classified as tangible assets and IT Software as intangible assets.

Group and Company	Intangible IT Software £'000	Tangible Leasehold Improve-ments £'000	General Equipment £'000	Total Tangible £'000	Total £'000
Cost					
At 1 April 2020	6,560	827	1,965	2,792	9,352
Additions	282	–	7	7	289
At 31 March 2021	**6,842**	**827**	**1,972**	**2,799**	**9,641**
Accumulated amortisation/depreciation					
At 1 April 2020	4,189	650	1,749	2,399	6,588
Charge for year	723	93	92	185	908
At 31 March 2021	**4,912**	**743**	**1,841**	**2,584**	**7,496**
Net book value					
At 31 March 2020	2,371	177	216	393	2,764
At 31 March 2021	**1,930**	**84**	**131**	**215**	**2,145**

9. Debtors

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Trade debtors	5,269	2,082	4,112	1,742
Amounts due from subsidiary undertaking	–	38	–	9
Other debtors	65	65	243	243
Deferred tax	1,505	1,505	1,133	1,133
Prepayments and accrued income	1,554	1,412	1,566	1,566
Directors' loans	209	209	283	283
	8,602	5,311	7,337	4,976

With the exception of deferred tax, all debtors are receivable within one year.

Amounts due to the Company from CCLA FM are unsecured, interest free, have no fixed date of repayment and are repayable on demand. These intercompany balances eliminate upon consolidation.

Notes to the Financial Statements

for the year ended 31 March 2021

10. Investments

The investment in Worthstone Limited is held at £1 (2020: £1), being cost less impairment, as the fair value cannot be measured reliably.

11. Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

12. Cash equivalents

Cash equivalents comprise the deposits held in the Public Sector Deposit Fund ('PSDF'). The deposits held in the PSDF are highly liquid investments with an average maturity of less than three months.

13. Creditors

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Accruals and deferred income	3,614	3,571	3,522	3,485
Trade creditors	1,721	575	1,425	582
Other creditors	1,235	1,235	589	589
Corporation tax	1,037	508	923	821
Other taxation and social security	5,412	4,067	4,512	3,337
	13,019	9,956	10,971	8,814

Within other creditors £1,082,000 (2020: £529,000) for both the Group and Company is due later than one year. This relates to the deficit in the Defined Benefit Section pension scheme.

14. Provisions for liabilities and charges

The Group and Company have set aside a provision in the year to 31 March 2021 of £300,000 (2020: £nil). This has been set aside to cover the restructuring costs associated with the planned outsourcing of the Company's transfer agency function. As at 31 March 2021, none of this provision had been utilised.

Notes to the Financial Statements

for the year ended 31 March 2021

15. Called up share capital

Group and Company	2021 £'000	2020 £'000
Authorised:		
44,000,000 (2020: 440,000) Ordinary Shares of 1p (2020:£1)	440	440
6,000,000 (2020: 60,000) Ordinary Non-Voting Shares of 1p (2020:£1)	60	60
550,000,000 (2020: 5,500,000) 'P' Ordinary Shares of 1p (2020:£1)	5,500	5,500
	6,000	6,000

	2021 £'000	2020 £'000
Allotted and fully paid:		
21,613,700 (2020: 216,137) Ordinary Shares of 1p (2020:£1)	216	216
2,600,000 (2020: 26,000) Ordinary Non-Voting Shares of 1p (2020:£1)	26	26
	242	242

During the year the Company did not issue any Ordinary Shares (2020: nil). The Company did not issue Non-Voting Ordinary Shares. On 1 April 2020, the Ordinary and Non-Voting Ordinary Shares were subdivided as described below.

Shareholders as at 31 March 2021 were as follows:

13,000,000 Ordinary Shares are owned by The CBF Church of England Investment Fund.
2,816,700 Ordinary Shares are owned by the COIF Charities Investment Fund.
3,250,000 Ordinary Shares are owned by LAMIT.
1,844,153 Ordinary Shares are owned by the current Executive Directors.
506,759 Ordinary Shares are owned by the CCLA Employee Share Trust
138,190 Ordinary Shares are owned by the retired Executive Directors.
57,898 Ordinary Shares are owned by the CCLA Share Incentive Plan.
2,600,000 Non-Voting Ordinary Shares are owned by the COIF Charities Investment Fund.

The Non-Voting Ordinary Shares are non-voting, but otherwise all other rights attached to the Ordinary Shares also apply to the Non-Voting Ordinary Shares.

On 1 April 2020, the 216,137 Ordinary Shares in the Company of £1 each, and 26,000 Non-Voting Ordinary Shares in the Company of £1 each, were subdivided into 21,613,700 Ordinary Shares of £0.01 each and 2,600,000 Non-Voting Ordinary Shares of £0.01 each.

In the opinion of the Directors, the Company has no ultimate controlling party.

Notes to the Financial Statements
for the year ended 31 March 2021

16. Equity dividends

	2021 £'000	2020 £'000
Interim Dividend		
Ordinary Shares	3,556	3,570
15p (2020: £15.00) per 1p (2020:£1) share		
Total dividend paid	3,556	3,570

The dividends paid are accounted for as follows:

	2021 £'000	2020 £'000
Equity dividend movements in statement of changes in equity	3,451	3,541
Equity dividends expensed within administrative expenses in income statement (see note 5)	105	29
Total dividend paid	3,556	3,570

17. Reconciliation of cash flows from operating activities

	2021 £'000	2020 £'000
Profit for the financial year	9,431	9,492
Interest receivable	(19)	(202)
Tax on profit on ordinary activities	2,051	2,436
Operating profit	11,463	11,726
Depreciation expense	185	202
Amortisation expense	723	168
Increase/(decrease) in creditors	2,041	(171)
Increase in debtors	(724)	(193)
Amortisation of equity settled awards	3	640
Net cash from operating activities	13,691	12,372

Notes to the Financial Statements

for the year ended 31 March 2021

18. Commitments and contingent liabilities

(a) Operating lease commitments

The Group and Company had commitments as set out below:

	2021 £'000	2020 £'000
Within one year	358	560
Between one and five years	–	358
	358	918

These commitments relate to the lease for Senator House, 85 Queen Victoria Street which commenced on 16 February 2012 and terminates on 15 February 2022.

(b) Contingent liability

The Company and its advisors have negotiated a rates reduction in relation to its office at Senator House, London, because of disruption caused by the landlord's works to the property. This reduction could be removed, backdated to October 2018, when the disruption came to an end, with a maximum liability of £166,000 to 31 March 2021. However, this may not happen and, if it did, there are other grounds on which a rates reduction could be sought. An additional liability is considered possible but not probable by the Company's advisors and has therefore not been provided in the accounts.

19. Related party transactions

During the year CCLA, as manager of the Funds listed below, carried out transactions which related to management fees and other services charged to the Funds by CCLA in the normal course of its business. The names of the related parties and the analysis of turnover from related funds was as follows:

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
The Church of England Investment Fund and other CBF Funds	12,174	11,023	11,641	11,594
COIF Charities Investment Fund and other COIF Charity Funds	25,593	–	22,165	47
LAMIT and The Local Authorities Property Fund	7,540	–	7,672	–

The above mentioned related parties are shareholders in the Company.

At the year ended 31 March 2021 there were amounts due from related parties as follows: £1,173,000 due to the Group and Company from the CBF Funds (2020: £1,004,000) and £3,125,000 due to the Group from the COIF Funds (2020: £2,286,000).

Notes to the Financial Statements

for the year ended 31 March 2021

19. Related party transactions *(continued)*

Please refer to note 5 and the Directors' remuneration report, pages 49 and 50, for details of Directors' remuneration and key management personnel compensation for the Group.

Loans were made to Executive Directors during the year to assist them in purchasing new Ordinary Shares in CCLA, under the Long Term Incentive Plan, as follows:

	Loan and interest due at 1 April 2020 £	Loans made during the year £	Loans repaid during the year £	Interest charged during the year £	Charged to liabilities during the year £	Loan due at 31 March 2021 £
Peter Hugh Smith	530,640	473,770	(924)	924	–	1,004,410
Elizabeth Sheldon	423,480	430,780	(11,996)	1,409	–	843,673
James Bevan	362,803	77,975	(21,389)	1,207	–	420,596
Andrew Robinson	362,803	77,975	(21,389)	1,207	–	420,596
Total	1,679,726	1,060,500	(55,698)	4,747	–	2,689,275
Related liabilities[i]	(367,833)	–	–	–	(411,897)	(779,730)
Total	1,311,893	1,060,500	(55,698)	4,747	(411,897)	1,909,545

[i] Related liablities include amortisation of Directors loans and share based payment liabilities relating to share revaluations. 50% of the value of the initial loan values are amortised by CCLA over the five years from the date of issue. This period may be shortened for the latest loans issued in the current year so that the loan is fully amortised when the relevant Director is aged 60.

Features of these loans to Executive Directors are as follows:

(a) Repayments of 5% of the original loan (2.5% for the most recent loans, issued since 1 June 2019) are made per annum.
(b) The loans carry an interest rate which is variable, based upon published rates.
(c) The loans are not included in Directors' emoluments disclosed on page 50, except for the beneficial interest benefit declared for tax purposes; and any write-off applied to the Directors' loans.

The above loans made during the year of £1,060,500 (2020: £1,099,850) are accounted for as the cost of Treasury shares (see note 1(g)(ii)) and the related liabilities applying to them of £374,256 (2020: £71,326) (see note 5) are accounted for as a share-based payment expense. The loans made prior to 2019 are accounted for: at transaction price on initial recognition; and thereafter at amortised cost using the effective interest method.

Notes to the Financial Statements
for the year ended 31 March 2021

19. Related party transactions *(continued)*

The amount due as shown in the table above as at 31 March 2021 of £1,910,000 (2020: £1,312,000) (rounded) corresponds to: Treasury shares of £2,146,000 (2020: £1,100,000); plus Directors' loans within debtors of £209,000 (2020: £283,000) (see note 9); less the share based payment liability generated over vesting of £445,000 (2020: £71,000), within accruals and deferred income (see note 13).

During the year, John Tattersall, a Non-Executive Director for part of the year, was a Director of UBS Business Services AG. CCLA has made payments during the year of £87,042 (2020: £107,432) to UBS group entities (with no outstanding balance due at the year end) for research and portfolio analysis.

20. Subsidiary and related undertakings

CCLA Fund Managers Limited is the lone wholly-owned subsidiary undertaking of the Company, which holds 100% of its Ordinary Shares. CCLA FM operates in the United Kingdom where it is registered and incorporated and is stated in the CCLA IM financial statements at cost less, where appropriate, provisions for impairment. CCLA FM acts as the manager of eight Alternative Investment Funds, being six COIF Charities Funds, The Local Authorities' Property Fund and the CCLA Diversified Income Fund.

The investment in subsidiary company is held at cost less accumulated impairment losses, where applicable. This investment in subsidiary company is eliminated upon consolidation.

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Investment in subsidiary	–	2,700	–	2,700
	–	2,700	–	2,700

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are set out above in note 19.

The registered office of all related undertakings is Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Longer term trends in performance (unaudited)

Funds under management

Value of funds at year end managed by CCLA Investment Management Limited and CCLA Fund Managers Limited, and fund flows for each year.

		Net Fund Flows		
Years to 31 March	*Funds under management £ million	Long-term funds £ million	Cash funds £ million	Total fund flow £ million
2017	7,161	+451	+183	+635
2018	7,842	+587	–69	+518
2019	9,053	+603	+245	+848
2020	9,787	+834	+173	+1,007
2021	**12,534**	**+683**	**+825**	**+1,508**

*Changes in total funds under management represent the effect of net new fund flows and market movements.

Financial performance

Years to 31 March	Turnover £'000	Pre-tax profit before exceptional items £'000	Exceptional non-recurring and one off items £'000	Pre-tax profit/ (loss) £'000	Capital and reserves £'000	Minimum Regulatory capital requirement £'000
2017	29,908	7,465	(642)	6,823	25,200	4,674
2018	35,097	9,182	(2,056)	7,126	29,174	5,279
2019	39,058	10,040	(1,368)	8,672	27,614	6,571
2020	45,462	11,928	–	11,928	32,617	6,750
2021	**50,144**	**13,150**	**(1,668)**	**11,482**	**36,915**	**15,096***

*Provisional – see page 10.

Longer term trends in performance (unaudited)

Share valuation and dividends per share

Up to June 2019, CCLA has been valued annually as at 30 June. Valuations were carried out as at 30 November 2019 and, in light of exceptional share price movements during the Covid-19 pandemic, 31 March 2020. Valuations are now planned to take place on a regular basis twice a year, as at 31 May and 30 November, unless circumstances require this to be changed. Valuations are based on the results for the previous year (or period) and the budget for the following year (or forecast for the remainder of the current year). This share price is used to value the CCLA holding by The CBF Church of England Investment Fund and the COIF Charities Investment Fund. This valuation is also used by the Long Term Incentive Plan, the Deferred Bonus Scheme and the Share Incentive Plan.

The CCLA Board approves the payment of dividends at its Board meeting in October based on the results for the previous financial year, the budget for the current financial year and the results for the year to date.

	Share valuation	Dividend per share
2016	£1.3349	6p
2017	£2.0242	9p
2018	£2.90	12p
2019	£3.52	15p
2020	**£2.95**	**15p**

As at 31 March 2021 the share valuation was £3.68.

Share valuations and dividends above have been restated for the 100:1 share split which took place on 1 April 2020.

List of organisations that we have supported during the year

CCLA has provided financial or in-kind support to the following organisations during the year.

Association of Chairs
Association of Charitable Foundations
Association of Charitable Organisations
Association of Chief Executives of Voluntary Organisations
Association of Church Accountants and Treasurers
Association of Provincial Bursars
Caritas Social Action Network
Catholic Independent Schools'
Chartered Institute of Public Finance and Accountancy
Church of England
Church Investors Group
Civil Society
Cornwall Community Foundation
County Councils Network
County Officers Forum
District Councils Network
Greenbelt
Independent Schools Bursars Association
Institute for Voluntary Action Research
Koestler Arts
League of Remembrance
Local Government Association
Local Government Information Unit
National Association of Local Councils
National Churches Trust
NHS Charities Together
One Voice Wales
Prison Advice and Care Trust
Room 151
Scottish Council of Voluntary Organisations
Society of Local Council Clerks
Society of Municipal Treasurers
Society of Unitary Treasurers
The English Province of the Order of Preachers
Theos
Together for the Common Good
UK Community Foundations

Company Information

Registered number	2183088
Registered Office	Senator House, 85 Queen Victoria Street, London EC4V 4ET T: 0844 561 5000 www.ccla.co.uk
Independent Auditors	PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT
Solicitors	Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH
Bankers	HSBC Bank Plc, 60 Queen Victoria Street, London EC4N 4TR

CCLA

GOOD INVESTMENT

CCLA

www.ccla.co.uk

CCLA is the trading name for CCLA Investment Management Limited (Registered in England & Wales No. 2183088)
and CCLA Fund Managers Limited (Registered in England & Wales No. 8735639).
Both companies are authorised and regulated by the Financial Conduct Authority.
Registered address: Senator House, 85 Queen Victoria Street, London EC4V 4ET.

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