CCLA Investment Management Limited

ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2025

CCLA

GOOD INVESTMENT

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

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

CCLA

GOOD INVESTMENT

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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 client.services@ccla.co.uk.

Strategic Report

The Directors' present the Strategic Report for the year ended 31 March 2025.

Principal activities

CCLA provides investment management products and services to charities, Church of England organisations, the public sector and retail clients. We were established over sixty years ago to provide both large and small investors access to investment markets in an efficient and professional manner.

Business review and key performance indicators

For the year ended 31 March 2025, the Group's overall profit was £8.1m, a reduction of 11.0% compared with the prior year (2024: £9.1m). The main driver for the reduction was an increased spend on exceptional items. Our overall profit for the year is a Key Performance Indicator ('KPI'), an important measure of the performance of the Group.

Turnover for the year was £65.7m, an increase of 7.8% compared with the prior year (2024: £60.9m). Our turnover is derived from management fees charged on our funds and segregated business. We reported an increase in turnover despite challenging market conditions. Expenditure for the year was £52.8m, an increase of 3.9% compared with the prior year (2024: £50.8m).

Operating profit before exceptionals for the year was £12.9m, an increase of 27.4% compared with the prior year (2024: £10.1m). Our operating profit margin before exceptional items was 19.6%, an increase of 3.0% (2024: 16.6%). Alongside an increase to turnover, careful control of expenses has contributed to the increase in operating profit before exceptionals. Our margin was ahead of our budget of 17.8%, the main driver being lower expenditure materialising during the year of £1.2m offset by slightly lower turnover of 0.1m when compared to our budget.

The Group continued to spend on exceptional items, which amounted to £4.0m (2024: £1.5m). This included project costs for improvements to infrastructure and operational processes, and costs in relation to the conversion of our Common Investment Funds to regulated funds. Project costs included in exceptional items were £1.9m (2024: £1.5m). Also included in exceptional items this year are costs of £2.1m (2024: £nil) relating to the corporate transaction described in note 22.

The Group continued to benefit from higher interest rates on our cash balances, reporting £3.0m of interest received during the year (2024: £2.7m).

The Company paid an interim dividend of £5.1m (2024: £5.0m) during the year.

Overall the results of the Group were satisfactory and reflective of the continued commitment and investment being made in the business.

Total equity as at 31 March 2025 was £58.5m, an increase of 6.0% compared to the prior year (2024: £55.2m). Own funds following the audit are £56.3m (2024: £53.0m), which is significantly more than both the Group's own funds requirement of £17.2m (2024: £20.4m) and the internal own funds requirement of £30.0m (2024: £30.7m), which is set at 175% of our own funds threshold requirement. As at the year end our solvency ratio was 328% (2024: 259%). The level of our own funds compared with our regulatory and internal requirements are core KPIs, and this position has remained strong over the last year.

Total cash as at 31 March 2025, including PSDF deposits and cash accounts managed on our behalf by FNZ, was £65.6m, an increase of 8.8% compared with the prior year (2024: £60.3m), an increase in line with general profitability. CCLA's internal liquid assets threshold requirement is set at £31.3m, being 175% of the liquid assets threshold requirement. As at 31 March 2025, the ratio of cash to this internal requirement was 210%.

During the year the Group migrated the operational delivery of our segregated business to SEI. The migration aims to improve the onboarding experience of our new clients and provide a comprehensive portal for our clients to access an up-to-date view of their portfolio. Work has progressed on the delivery a new data warehouse for CCLA, to support the scalability of our business and provide the opportunity for improved client reporting capabilities.

In the year to 31 March 2025, our full time equivalent average headcount was 185, which compares with 186 in the previous year. Unintentional employee turnover (excluding, for example, redundancies, end of fixed term contracts and retirements) is a core KPI, and for the year to 31 March 2025 this was 7%, compared with 6% in the previous year.

The environment for asset management firms in the UK remains challenging. 2024 was a year where a small number of mainly US listed companies, often referred to as the Magnificent Seven, drove global benchmarks higher. For active managers like CCLA building well diversified portfolios, this resulted in underperformance compared to the funds target benchmarks (with the exception of the property funds). In addition, costs have continued to increase, driven by increased regulatory burden and continual investment in systems and technology.

Our asset base remains reasonably stable with our core Investment Funds continuing to increase in Assets under Management ('AUM') through a combination of market returns and net new subscriptions. Our Money Market Funds have continued to prosper off the back of increasing interest rates and the reluctance of banking institutions to pass the benefit of higher rates on to their customers, and as was the case last year the growth has been in the CBF and COIF Deposit Funds. The one weak asset class in 2023 was property which had suffered from a sharp fall in property valuations, followed by material redemptions in 2023. We have seen this sector stabilise in 2024 with some modest recovery in valuations. Redemptions have also reduced though new investor appetite remains sparse.

The Group's AUM as at 31 March 2025 was £15,014m, an increase of 3.5% compared with the previous year (2024: £14,512m). 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. As at 31 March 2025, we had 32,530 clients, ranging in size and complexity. 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 clients require us to deliver 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 2024 £m	Distribution for the year to 31 December 2024 £m	Fund yield 31 December 2024 %	Fund yield 31 December 2023 %
Income and accumulation				
COIF Charities Investment Fund	3,874	99.1	2.74	2.75
The CBF Church of England Investment Fund	2,152	57.8	2.73	2.73
COIF Charities Ethical Investment Fund	2,377	63.6	2.84	2.86
Income				
Local Authorities Property Fund	1,045	53.8	5.09	4.94
COIF Charities Property Fund	466	27.2	5.44	5.36
Better World Global Equity Fund	315	3.3	1.06	0.99

In respect of the year to 31 December 2024, CCLA long-term and cash funds distributed a total of £540m (year to 31 December 2023: £500m) 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.

While performance in 2024 was challenging our flagship pooled mixed funds for charities and Church of England organisations have performed strongly against comparators and competitors over a five year timeframe.

The performance of these funds is a core KPI.

	Year to 31 December					Cumulative five year performance
Fund performance	**2024** %	**2023** %	**2022** %	**2021** %	**2020** %	%
COIF Charities Investment Fund	5.08	12.36	(9.00)	17.38	9.78	38.44
The CBF Church of England Investment Fund	5.09	12.57	(9.16)	17.46	10.20	39.11
COIF Charities Ethical Investment Fund	5.69	13.16	(9.71)	16.76	9.76	38.39
ARC Steady Growth Charity Index*	8.23	7.51	(9.61)	12.30	3.54	22.30

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

To deliver these returns, we invest in businesses that have been selected in line with our sustainability policies. Except where we wish to gain exposure to specialist areas such as infrastructure and fixed income, 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.

As an asset manager our aim is to meet our clients' objectives in a way that aligns with their values and furthers their mission. We seek to achieve this through the following principles.

Act
We act as an agent for 'change' because investment markets can only ever be as healthy as the environment and communities that support them.

We do this by:

1. using our ownership rights to improve the sustainability of the assets in which we invest;
2. bringing investors together to address systemic risks that have not had the attention that they require; and
3. seeking to be a catalyst for change in the investment industry.

By helping to accelerate progress in meeting the major sustainability challenges that the world faces, we can limit risks before they negatively affect the performance of our clients' assets and the functioning of society.

During the reporting year we engaged with companies on a broad range of issues, including the living wage, nutritional standards and climate change. However, our main focus was once again delivering our flagship collaborative engagement programmes on modern slavery and mental health. Taken together collaborative engagement programmes, originated and convened by CCLA, are now supported by more than £21 trillion[(1)] in investment assets accross 108[(2)] investors. Our modern slavery statement and mental health benchmarks are available on our website, www.ccla.co.uk.

Assess
We assess environmental, social and governance ('ESG') standards (of the listed equities within our portfolios) because we believe that a combination of legislation, regulation and changing societal preferences will impact negatively on the most unsustainable business models.

We avoid investing in companies that have uncompensated, unwanted, unwarranted and unmitigated ESG risks as evidenced by:

1. poor management and weak corporate governance;
2. having an unacceptable social and environmental impact; and
3. demonstrating an unwillingness to improve through investor engagement.

As a result of this work the listed equity proportion of CCLA's portfolios contain less governance high risk companies and have a lower carbon footprint compared to the corresponding figures for the MSCI World.

(1) Source CCLA: AUM figure correct as of 31 December 2024 and excludes duplication where a supporter is a member of both initiatives. Figures updated annually.

(2) Source CCLA: Membership number correct as of 31 December 2024 and excludes duplication where a supporter is a member of both initiatives. Figures updated annually.

Align
We invest in a way that we believe 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:

1. ensure that our portfolios are aligned with our clients' objectives, values and beliefs; and
2. report on the outcomes of all our work.

During the reporting year we had no breaches of our clients' values-based investment policies.

Affiliations
CCLA is a signatory to the Financial Reporting Council's Stewardship Code and the Principles for Responsible Investment ('PRI'). In the most recent(3) PRI assessment CCLA received 5 stars (out of 5) for our policy, governance and strategy, direct – listed equity – other and confidence building measures. We received 4 stars for direct – real estate.

We are also members of the Net Zero Asset Managers Alliance ('NZAM') and we are committed to reporting annually through our Taskforce on Climate Related Financial Disclosures ('TCFD') report (A Climate for Good Investment). As a signatory to NZAM, CCLA is assessed by the CDP processes which awarded CCLA a 'B Rating' in its 2024 assessment.(4) Details of our approach to managing the risks and opportunities associated with climate change are detailed on our website.

Climate-related financial disclosures
CCLA recognises that the investments within the portfolios that we manage have an impact on the health of the climate. Equally, climate change could influence the performance of investments we manage because healthy markets need a healthy planet and healthy communities.

CCLA produces both an Entity TCFD Report (covering both CCLA IM and CCLA FM) and a TCFD Product Report for each fund it manages, which are consistent with the recommendations issued by the TCFD. The TCFD Product Reports are designed to help our investors to understand how a fund is exposed to climate-related risks.

The Entity Report ("A Climate for Good Investment (TCFD)") is available on the Policies and Reports section of the About Us page on our website (www.ccla.co.uk) and the Product Reports are available on the relevant fund page at www.ccla.co.uk/investments.

(3) CCLA's most recent assessment was 2023. The next assessment is due in late 2025.

(4) Due to CCLA's turnover and number of employees we qualify for the Small and Medium Enterprise (SME) questionnaire. B is currently the highest achievable grade for an SME as there is currently no methodology to determine an A score.

CCLA considers its environmental impact as an organisation and 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 objectives in place to evidence continuous improvement to our environmental management system. These objectives include initiatives to help employees reduce paper usage and energy consumption and regular environmental training for all employees. Maintaining ISO 14001:2015 certification is a core KPI.

As reported in our Streamlined Energy and Carbon Reporting on pages 18 to 20 our energy consumption has increased to 211,458 kWh compared with the previous year (2024: 208,782 kWh), mainly due to higher gas use and transport fuel offset with lower electricity use. CCLA will continue to work with environmental consultants to increase the scope of CCLA's carbon footprint and improve data quality. This will enable CCLA to have an accurate baseline from which to reduce carbon emissions going forward.

Principal risks and uncertainties

CCLA has identified six Principal Risks which would have the most critical impact to the operation of the business, with a particular focus on client, financial, regulatory, operating and reputational impacts.

Client and Fiduciary Risk

The risk of inadequate client management and consumer duty, including product unsuitability, sales misrepresentation, onboarding, adherence to client instructions and client reporting failures. Helping our clients achieve their investment objectives is CCLA's main priority and we take our fiduciary and consumer duty obligations very seriously. Consumer duty management information from each CCLA function is collated on a monthly basis and reviewed by the Director of Market Development. The Enterprise Risk Management Framework ('ERMF') has also been enhanced to enable the consideration of client impact for all quarterly risk assessments, risk events and ICARA scenarios.

Operational Process Risk

The risk that CCLA incurs operational disruption, poor client outcomes and financial loss to CCLA due to human error and/or inadequate process design/implementation.

CCLA accepts that operational processing errors, either by human error or process design, will occasionally occur and actively seeks to reduce its likelihood as far as practically possible. CCLA seeks to mitigate these risks via the employment of its risk function which provides guidance, advice, oversight, and challenge to the business through an appropriate risk framework. This includes an annual assessment of all key controls and more frequent ad-hoc reviews as required.

Technology and Cyber Risk

Like all asset managers, CCLA is reliant upon several internal IT systems to manage its processes effectively each day, both on behalf of the business itself and for its clients. CCLA is therefore highly dependent on its computer infrastructure and if this were to be restricted or removed, business as usual operations and critical systems would become unavailable or non-operational.

In terms of preventative and compensating controls relating to Business Continuity risks, CCLA hosts its business-critical IT servers and telephone switchboard offsite (via the Cloud) whilst all key IT systems and data can be accessed remotely by VPN connection or in the case of emails and Teams through the Office 365 platform. To manage cyber risks, several industry standard technical controls have been implemented to reduce the risks and impact of malware incidents. All IT equipment and servers run appropriate antivirus software and email/web control filters are in place and systems are patched regularly.

Financial Crime Risk
The risk of financial crime such as fraud, money laundering and terrorist financing, tax evasion, bribery and corruption or market abuse. The Company actively takes steps to mitigate the likelihood of it occurring. It is recognised that financial crime risk is inherent to the Company's business activities and our primary emphasis is on prevention and provide training so that all CCLA employees know how to recognise and manage any attempts of fraud, money laundering including sanction evasion, terrorist financing, tax evasion, bribery/corruption or market abuse. Where a function is outsourced which involves the onboarding of new clients, and the administration of changes to authorised individuals at existing clients, the Company has an appropriate oversight programme to enable the risk of money laundering and financial crime in general to be mitigated.

Outsourcing and Supplier Management Risk
Also known as third party risk, Outsourcing and Supplier Management Risk is the risk of incidents and negative impact to CCLA due to inadequate onboarding and due diligence of outsourcing arrangements or because of a failure by a service provider.

CCLA conducts initial and ongoing due diligence on suppliers, for outsourced service providers and on suppliers for whom services are not outsourced. Critical outsourcing arrangements require additional due diligence as any defect or failure in its performance would materially impair the continuing compliance and obligations of the firm's authorisation, its other regulatory obligations or the soundness or continuity of its relevant services and activities. CCLA sets appropriate selection criteria before electing to outsource an activity and when it does, continues to conduct annual reviews and site visits to ensure adequate standards are maintained.

Performance Risk
This is about the risk that a fund or mandate produced returns that would significantly diverge from the performance that could be achieved through comparable strategies with similar investment objectives. Whilst the Company accepts that there are external macro financial, political, and regulatory dynamics that it cannot control, when deploying client assets in normal functioning, trending markets, it constantly reviews the market and industry landscape via appropriate investment governance processes so that it continues to be well positioned to deliver for its clients and owners.

Section 172 statement

In accordance with Section 172 of the Companies Act 2006, the Directors of CCLA consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company. 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 positive relationships with all of its stakeholders and considering the external impact of the company's activities.

CCLA considers its key stakeholders to be its clients, shareholders, employees, suppliers, communities and the environment, regulators and the government.

CCLA's philosophy is to aim to meet our client's financial objectives in a way they believe aligns with their values and furthers their mission, and the Board's long term strategic planning and decision making is directly committed to this.

The Board understands that CCLA's employees are fundamental to its success and together with the CCLA IM Remuneration and Nominations Committee regularly engages with CCLA's Chief People Officer on people related matters.

Fostering positive relationships and good communication with suppliers, such as CCLA's internal and external auditors, and other stakeholders such as the regulatory and government bodies is integral to the success of the Company.

CCLA believes it has a duty to go above and beyond the boundaries of traditional investor engagement and collaborates with the industry to address systemic risks that threaten communities, the environment and ultimately investment markets. The Board recognises the important role that CCLA plays in the community, particularly helping clients better align their investments with their values.

CCLA's investment approach focuses on preserving the long-term value of client investments by driving change which looks to increase accountability and transparency within the industry on issues such as climate change, the living wage, mental health and modern slavery. For listed equities we integrate non-financial risk into our investment process.(5)

The following section details more examples of CCLA's active 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.

(5) Non-financial risks (NFR) are risks which are not covered by traditional financial risk management. It includes, among other things, conduct, reputational and regulatory risk management.

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 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 – we have an extensive programme of on-line and in-person events, as well as website presence, and for our larger clients, we offer client meetings in person, on-line and hybrid according to client preference. All of our clients are able to sign up to our client portal where they can access information on their holdings alongside access to information about our funds and corporate activity via the CCLA website.
- Sponsoring and speaking at Sector Events.
- Hosting Trustee Training Events.
- Recognising the importance to clients of the safety of their data and money, and continually investing and utilising technology to protect them, including systems that mitigate fraud for example two factor authentification on our client portal. CCLA staff receive periodic training and support on important issues such as anti-bribery and cybercrime to help safeguard client information.

Shareholders

CCLA provides fair, balanced and understandable information to instil trust and confidence in its shareholders and allow informed 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.
- Regular meetings with the Chair and Chief Executive to determine and execute the decisions of the Board. Feedback from meetings is then passed directly to senior management within the business.
- The CCLA IM Board has shareholder representatives from the main investor bodies i.e church, charities and local authorities.

Employees
CCLA considers its employees the cornerstone of delivering on the Company's vision and aims to provide a supportive and stable environment for employees so they feel included, empowered and motivated to deliver a trusted service to its clients. The Board recognises the importance of driving its strategic objectives through the Company's culture and receives regular reports that allow it to assess this. CCLA engages with its employees through various means:

- Weekly employee briefings – These sessions are used by teams and the leadership team to provide updates on company activities, initiatives and share successes providing insights and transparency to maximise employee engagement.
- Lunch and Learn sessions – These sessions can be facilitated by internal employees or external speakers and provide an opportunity for employees to receive insights and/or training on specific topics in an informal setting.
- Wellbeing sessions – Regularly scheduled sessions with employees specifically focused on health, mental wellbeing and work-life balance underscoring our commitment to employee wellbeing.
- Annual employee satisfaction survey ('ESS') – The ESS serves as a crucial tool for employees to share their feedback with and voice any concerns to senior management. The Executive Management team uses the feedback to continually improve the work environment for all employees. The 2025 ESS had a response rate of 81.3% (up from 80.6% last year). The average employee satisfaction score of 5.3 (based on a sliding scale out of 7), reflects CCLA's strength as an employer (2024: 5.2).
- Professional development – CCLA offers employees extensive opportunities for personal development, including advancement in their careers through internal mobility.

Communities and environment
CCLA has representation across the UK Non-Profit and Public 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 contributions of the Sustainability 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.
- CCLA considers our own environmental impact and has ISO 14001:2015 certification as described on page 10.

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.

- An appropriate governance framework made up of four major components: Board oversight, Committee responsibilities, management accountability and authority and policies and procedures.
- Responding as relevant to regulatory Consultation Papers through the appropriate industry bodies such as the Investment Association.
- Promoting better climate regulation, including through our response to the FCA's consultation on new listing rules, supporting stronger disclosures based on forward-looking climate scenarios and the global carbon budget.
- Engagement with the UK Government via the Home Office Forced Labour Forum, DEFRA and FCDO as well as the House of Commons and House of Lords on developing appropriate modern slavery and human rights protections.
- Engaging as a member of the Investor Coalition on Food Policy, convened and resourced by The Food Foundation.

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 appropriate 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. Our Modern Slavery statement can be found on our website, www.ccla.co.uk.

Group strategy
Our strategy remains consistent with the previous year with the following key pillars:

- Ensuring that our investment process, including a focus on our approach to sustainability, is effectively delivered and well-articulated.
- Continuing to grow our business, exploring new markets and distribution channels which capitalise on our areas of expertise, in particular our long history of stewardship and ethical investment.
- Ongoing improvement of our operational infrastructure and efficiency.
- Ensuring our fund structures are best placed to serve our client base.

Underpinning these is a continued focus on effective Governance ensuring we have the right model to support the business.

Future Developments

On 10 July 2025, it was announced that CCLA would be acquired by Jupiter Fund Management plc ('Jupiter'), subject to regulatory approval. CCLA will become part of Jupiter, retaining the CCLA branding, investment, and client service approach.

CCLA's teams will continue to focus on delivering investment returns and outstanding client service to all CCLA clients regardless of their size. CCLA also retains its mission, its stewardship activities, and its drive to build a better world. At the same time however, CCLA stands to benefit from Jupiter's strength and resources. Jupiter's investment capabilities, including its 100 plus investment professionals, will add support to CCLA's existing investment team and product range.

CCLA remains committed to serving churches, charities and local authorities.

We continue the process to convert our existing range of Funds from Common Investment Funds to Charity Authorised Investment Funds. Earlier in the year we obtained approval from the FCA for the conversion which will bring the Charity Funds into the FCA's regulatory regime. We believe this move will confer financial benefits to investors (as no VAT is charged on the Annual Management Charge) and give investors comfort that the funds are subject to FCA oversight and subject to the rules governing regulated funds. We plan to implement the conversion of the Charity Funds in 2026 with the conversion of the Church Funds to follow.

Approved by the Board of Directors and signed on behalf of the Board by:

Peter Hugh Smith
Chief Executive
21 July 2025

Directors' Report

The Directors present their report for the Group, together with the financial statements and auditor's report, for the year ended 31 March 2025. 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.

Future developments
The future developments of the group can be found in the Strategic Report on page 16.

Going concern
After making enquiries that include reviewing the budget and business plans, the Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and for at least twelve months from the date of approval of this report, and have prepared the financial statements on that basis.

Dividends
Distributions of £5,076,169 were declared on 14 October 2024 and paid on 18 November 2024 on 24,213,700 Ordinary Shares in this financial year (2024: £5,047,897 on 24,213,700 Ordinary Shares).

Share capital
During the year there were no changes in the Company's issued share capital.

Directors
The Directors of the Company who served throughout the year and up to the date of signing were:

* Richard Horlick – Chair
* Julia Hobart [a]
* Jonathan Jesty [a] (Chair of the Audit and Risk Committee)
* Christine Johnson [a]
* Ann Roughead [a] (Chair of the Remuneration and Nominations Committee)
* Chris West [a]
Peter Hugh Smith – Chief Executive
Elizabeth Sheldon – Chief Operating Officer
Andrew Robinson – Director, Market Development

* Non-Executive Directors.
(a) Member of the Audit and Risk Committee and the Remuneration and Nominations Committee.

Under the Company's Articles of Association, the Directors are not subject to retirement by rotation.

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 PIB Insurance Limited. 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.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 22 to the financial statements.

Streamlined Energy and Carbon Reporting

CCLA reports below scope 1, scope 2 and certain scope 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 2025.

Responsibilities of CCLA

CCLA were responsible for the internal management controls governing the data collection process and any estimation or extrapolations. We engage an external consultant for the data aggregation, GHG calculations and the resultant emissions statements.

Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. This standard is internationally accepted as best practice.

Scope and Subject Matter
The report includes sources of environmental impacts under the operational control of CCLA. This includes CCLA's London Office located at One Angel Lane, EC4R 3AB.

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, fugitive gases	Purchased gas usage for heating.
Scope 2: Purchased electricity (location-based and market-based method)	Location-based electricity emissions use the average grid fuel mix in the region/country where the electricity was purchased and consumed. Market-based electricity emissions use fuel mix that is specific to the purchased electricity's supplier and tariff. For CCLA, 100% renewable tariff was procured for the office.
Scope 3: Fuel used for business travel in employee or hired vehicles and indirect upstream emissions from purchased fuel and energy	Mileage from expensed fuel in employee owned vehicles.

- Types of GHGs included, as applicable: CO_2, N_2O, CH_4, HFCs, PFCs, SF_6 and NF_3.

The figures were calculated using UK government 2024 conversion factors, expressed as tonnes of carbon dioxide equivalent ('tCO_2e').

Energy Efficiency Action
CCLA's energy-efficiency and carbon – saving measures are as follows:

- Implementing energy saving initiatives such as encouraging employees to be more energy efficient whilst working from home.
- Continuing to work with environmental consultants to increase the scope of CCLA's carbon footprint and improve data quality, so that CCLA have an accurate baseline from which to reduce carbon emissions going forward.
- Continuing to raise the profile with employees on initiatives, for example the CCLA carbon footprint covering the year ending 31 March 2024 was distributed to all employees and e-learning slides were updated and rolled out to employees in 2024.

CCLA's GHG statements (in tCO_2e), is presented in the following table.

	2025	2024
Energy consumption used: (kWh)		
– Electricity	94,574	100,539
– Gas	80,402	72,461
– Transport fuel	36,482	35,782
– Other energy sources	–	–
Total energy consumption used (kWh)	211,458	208,782
Emissions (tCO_2e)		
Scope 1		
Emissions from combustion of gas tCO_2e	14.7	13.3
Scope 2		
Emissions from purchased electricity – location based, tCO_2e	19.6	20.8
Scope 3		
Emissions from business travel in rental cars or employee vehicles where company is responsible for purchasing the fuel tCO_2e (included in both location based and market based totals below)	10.5	10.8
Emissions from upstream transport and distribution losses and excavation and transport of fuels – location based tCO_2e	8.9	9.0
Emissions from upstream transport and distribution losses and excavation and transport of fuels – market based tCO_2e	5.8	4.0
Total location based tCO_2e	53.7	53.9
Total market based tCO_2e	31.0	28.1
Intensity Ratio: tCO_2e/£ million turnover		
Turnover	£65.70m	£60.94m
Intensity ratio: tCO_2e from Scope 1, 2 and 3 (fuel for business travel only)/£ million turnover Location Based	0.8	0.9
Market Based	0.5	0.5
Methodology: Greenhouse Gas Protocol Accounting and Reporting Standard		

The figures for the prior year have been restated to take into account updated fuel mix information.

Financial risk management objectives and policies

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 invests in the Public Sector Deposit Fund, a triple-A rated UK Qualifying Money Market Fund managed by CCLA, and can place deposits with counterparties that have a minimum short-term Fitch credit rating of at least F1. 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 money market fund holdings and short-term sterling cash deposits, 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.
- Foreign exchange risk – CCLA revenues are almost totally in GBP, however some service providers' cost may be in different currencies. Cash reserves are kept in GBP. Foreign currency exposure would be thus limited to some of the Group's non-GBP costs and it would be limited to major currencies such as USD and expected to be marginal.

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

Charitable Donations

During the year the Company made charitable donations of £7,564 (2024: £4,921) 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 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 such as sponsorship of events.

Political Donations

The Company has not made any political donations during the year ended 31 March 2025 (2024: £nil).

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.

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 Auditor

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 auditor is unaware. The Directors confirm that they have taken all the steps they ought to have taken as Directors to establish that the auditor is aware of that information.

Independent Auditor

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

MIFIDPRU 8 disclosures

MIFIDPRU 8 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:

M. Mochalska

Marcelina Mochalska
Company Secretary
21 July 2025

Independent Auditor's Report

to the members of CCLA Investment Management Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CCLA Investment Management Limited (the 'parent company') and its subsidiary (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)' ('FRS 102').

Basis for opinion

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

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

Conclusions relating to going concern

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.

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 parent 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.

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

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

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 auditor's report.

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and applicable pensions and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the company's obligations under the FCA Handbook and regulatory capital requirements.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- completeness and accuracy of management fee income, specifically from new or amended income streams or income from property funds and segregated mandates:
  - obtained an understanding of relevant controls over the completeness and accuracy of management fees;
  - traced calculation inputs to underlying agreements to determine if the fee rates used were accurate and if there were any changes compared to the prior year;
  - assessed the accuracy of AUM data used in the management fee calculations by obtaining independent data; and
  - recalculated management fee income using the fee rates and AUM data described above.

- share-based payments and employee incentive schemes, specifically the valuation of CCLA's own shares:
  - obtained an understanding of relevant controls over management review and challenge of the independent share valuations, including the review of the methodology and judgements used in the valuations;
  - assessed the capabilities, competence and objectivity of management's independent specialist;
  - evaluated the appropriateness of the valuation methodologies used to value the Company in line with IPEV guidelines; and
  - assessed the appropriateness of financial statement disclosures.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Caullay CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
22 July 2025

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Turnover	*3*	65,696	60,937
Administrative expenses	*4*	(52,805)	(50,816)
Operating profit before exceptional items		**12,891**	**10,121**
Exceptional items	*6*	(4,019)	(1,483)
Operating profit		**8,872**	**8,638**
Interest receivable and similar income		3,031	2,749
(Losses)/gains on investments		(162)	767
Profit before taxation		11,741	12,154
Tax on profit	7	(3,632)	(3,043)
Profit for the financial year		**8,109**	**9,111**

The above results were derived from continuing operations. There are no other items of comprehensive income.

The notes on pages 36 to 60 form part of these financial statements.

Consolidated Statement of Financial Position
as at 31 March 2025

		2025		2024	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	*8*		51		509
Tangible assets	*8*		1,460		1,675
			1,511		2,184
Current assets					
Debtors	*9*	13,663		12,722	
Investments	*10*	6,294		4,296	
Cash at bank and in hand	*11*	20,319		24,029	
Cash equivalents	*12*	45,300		36,275	
		85,576		77,322	
Creditors	*13*	28,013		23,768	
Net current assets			57,563		53,554
Total assets less current liabilities			59,074		55,738
Provisions for liabilities and charges	*14*		593		580
Net assets			**58,481**		**55,158**
Capital and reserves					
Called up share capital	*15*		242		242
Share premium account			1,594		1,594
Other reserves			1,849		2,375
EST share reserve			(191)		(1,183)
LTIP loan reserve			(2,167)		(2,167)
Profit and loss account	*16*		57,154		54,297
Total equity			**58,481**		**55,158**

The notes on pages 36 to 60 form part of these financial statements.

These financial statements on pages 30 to 60 were approved and authorised for issue by the Board of Directors on 21 July 2025 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 2025

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Fixed assets					
Subsidiary undertaking	*21*		2,700		2,700
Intangible assets	*8*		51		509
Tangible assets	*8*		1,460		1,675
			4,211		4,884
Current assets					
Debtors	*9*	8,863		8,873	
Investments	*10*	6,294		4,296	
Cash at bank and in hand	*11*	17,479		12,873	
Cash equivalents	*12*	19,795		17,861	
		52,431		43,903	
Creditors	*13*	25,403		19,482	
Net current assets			27,028		24,421
Total assets less current liabilities			31,239		29,305
Provisions for liabilities and charges	*14*		593		580
Net assets			**30,646**		**28,725**
Capital and reserves					
Called up share capital	*15*		242		242
Share premium account			1,594		1,594
Other reserves			1,849		2,375
EST share reserve			(191)		(1,183)
LTIP loan reserve			(2,167)		(2,167)
Profit and loss account	*16*		29,319		27,864
Total equity			**30,646**		**28,725**

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 after tax for the Company for the year was £6,707,000 (2024: £7,110,000).

The notes on pages 36 to 60 form part of these financial statements.

These financial statements on pages 30 to 60 were approved and authorised for issue by the Board of Directors on 21 July 2025 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 2025

	Ordinary Share capital £'000	Share premium account £'000	Profit and loss account £'000	EST share reserve £'000	LTIP loan reserve £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2023	**242**	**1,594**	**50,804**	**(1,544)**	**(2,167)**	**2,737**	**51,666**
Profit for the financial year	–	–	9,111	–	–	–	9,111
Equity dividends paid	–	–	(5,048)	–	–	–	(5,048)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	443	–	–	443
Settlement of equity-settled awards	–	–	–	–	–	(866)	(866)
Amortisation of equity-settled awards	–	–	–	–	–	504	504
Losses from transfers of shares by Employee Share Trust	–	–	(556)	–	–	–	(556)
Tax movement relating to equity-settled awards (note 7)	–	–	(14)	–	–	–	(14)
Unallocated SIP shares	–	–	–	(82)	–	–	(82)
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(5,618)**	**361**	**–**	**(362)**	**(5,619)**
Balance as at 31 March 2024	**242**	**1,594**	**54,297**	**(1,183)**	**(2,167)**	**2,375**	**55,158**
Balance as at 1 April 2024	242	1,594	54,297	(1,183)	(2,167)	2,375	55,158
Profit for the financial year	–	–	8,109	–	–	–	8,109
Equity dividends paid	–	–	(5,076)	–	–	–	(5,076)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	922	–	–	922
Settlement of equity-settled awards	–	–	–	–	–	(872)	(872)
Amortisation of equity-settled awards	–	–	–	–	–	346	346
Losses from transfers of shares by Employee Share Trust	–	–	(176)	–	–	–	(176)
Tax movement relating to equity-settled awards (note 7)	–	–	–	–	–	–	–
Unallocated SIP shares	–	–	–	70	–	–	70
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(5,252)**	**992**	**–**	**(526)**	**(4,786)**
Balance as at 31 March 2025	**242**	**1,594**	**57,154**	**(191)**	**(2,167)**	**1,849**	**58,481**

The notes on pages 36 to 60 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 March 2025

	Ordinary Share capital £'000	Share premium account £'000	Profit and loss account £'000	EST share reserve £'000	LTIP loan reserve £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2023	**242**	**1,594**	**26,372**	**(1,544)**	**(2,167)**	**2,737**	**27,234**
Profit for the financial year	–	–	7,110	–	–	–	7,110
Equity dividends paid	–	–	(5,048)	–	–	–	(5,048)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	443	–	–	443
Settlement of equity-settled awards	–	–	–	–	–	(866)	(866)
Amortisation of equity-settled awards	–	–	–	–	–	504	504
Losses from transfers of shares by Employee Share Trust	–	–	(556)	–	–	–	(556)
Tax movement relating to equity-settled awards (note 7)	–	–	(14)	–	–	–	(14)
Unallocated SIP shares	–	–	–	(82)	–	–	(82)
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(5,618)**	**361**	**–**	**(362)**	**(5,619)**
Balance as at 31 March 2024	**242**	**1,594**	**27,864**	**(1,183)**	**(2,167)**	**2,375**	**28,725**
Balance as at 1 April 2024	242	1,594	27,864	(1,183)	(2,167)	2,375	28,725
Profit for the financial year	–	–	6,707	–	–	–	6,707
Equity dividends paid	–	–	(5,076)	–	–	–	(5,076)
Purchases, sales and awards of shares by Employee Share Trust	–	–	–	922	–	–	922
Settlement of equity-settled awards	–	–	–	–	–	(872)	(872)
Amortisation of equity-settled awards	–	–	–	–	–	346	346
Losses from transfers of shares by Employee Share Trust	–	–	(176)	–	–	–	(176)
Tax movement relating to equity-settled awards (note 7)	–	–	–	–	–	–	–
Unallocated SIP Shares	–	–	–	70	–	–	70
Transactions with shareholders, recognised directly in equity	**–**	**–**	**(5,252)**	**992**	**–**	**(526)**	**(4,786)**
Balance as at 31 March 2025	**242**	**1,594**	**29,319**	**(191)**	**(2,167)**	**1,849**	**30,646**

The notes on pages 36 to 60 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash from operating activities	*18*	11,807	15,599
Corporation tax paid		(3,211)	(2,955)
Net cash generated from operating activities		**8,596**	**12,644**
Cash flows from investing activities			
Purchases of intangible assets	*8*	(10)	(79)
Purchases of tangible assets	*8*	(168)	(41)
Interest received		3,031	2,749
Purchase of investments	*10*	(2,160)	(1,894)
Net cash used in investing activities		**693**	**735**
Cash flows from financing activities			
Net sales/(acquisitions) of Ordinary Shares by Employee Share Trust		992	(749)
Net movement on LTIP loan		110	113
Dividends paid	*17*	(5,076)	(5,048)
Net cash used in financing activities		**(3,974)**	**(5,684)**
Net increase in cash at bank and in hand		**5,315**	**7,695**
Cash and cash equivalents at the beginning of the year		**60,304**	**52,609**
Cash and cash equivalents at the end of the year		**65,619**	**60,304**
Cash and cash equivalents consist of:			
Cash at bank and in hand	*11*	20,319	24,029
Cash equivalents	*12*	45,300	36,275
Cash and cash equivalents		**65,619**	**60,304**

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 36 to 60 form part of these financial statements.

Notes to the Financial Statements
for the year ended 31 March 2025

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 Group and Company's functional currency is pounds sterling.

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 35.

(b) Basis of consolidation

The Group consolidated financial statements for the year ended 31 March 2025 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.

Notes to the Financial Statements

for the year ended 31 March 2025

(c) Going concern

After making enquiries that include reviewing the budget and business plans, the Directors are satisfied that the Group and Company have adequate resources to continue to operate as a going concern for the foreseeable future and for at least twelve months from the date of approval of this report, and have prepared the financial statements on that basis.

(d) Critical accounting estimates and judgements

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.

(e) 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.

(f) Administrative expenses

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

(g) Interest income

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

(h) 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 2025

1. Accounting policies *(continued)*

(h) 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.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Accounting policies *(continued)*

(h) Fixed assets (continued)

Where the Group has a contractual obligation, a dilapidations asset and corresponding provision is created on inception of a lease. The asset cost is the best estimate of the cost required to return leased properties to the original condition upon termination of the lease. The expected useful life 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.

(i) Pension schemes

During the year, most employees were members of the Group Personal Pension Scheme ('GPP'), which is operated by Legal and General. The GPP is a defined contribution scheme. Further details are given in note 5.

The GPP 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 GPP. 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.

(j) Share-based payments and employee incentive schemes

(i) Cash-settled awards – deferred bonuses
The Company has made awards of deferred bonuses to certain employees based upon the total return from 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.

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. On vesting, liabilities are paid out as cash to settle the awards.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Accounting policies *(continued)*

(j) Share-based payments and employee incentive schemes (continued)

(ii) Cash-settled awards – LTIP 2

The Company has made awards to certain employees under a scheme called 'Long Term Incentive Plan 2' ('LTIP 2') which is based upon the value of its shares, to be settled in cash. Settlement of half of the awards is made after initial vesting periods of up to five and ten years (equally split), with the other half retained following the initial vesting periods, to be settled on the employee leaving the company as a 'good leaver'. The liability in respect of these awards is recognised over service periods, being the initial vesting periods. 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 of the CCLA shares is independently reviewed by an independent valuer, taking account of factors including revenue, funds under management and earnings. On vesting, liabilities are paid out as cash to settle the awards.

(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.

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, as described in 1(j)(ii) above. 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 – 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 in note 20. Shares acquired in the LTIP, together with the associated loans, are accounted for as equity-settled share-based payments. The accounting followed is outlined below.

- Half of the cost of shares, funded initially by the Company, is accounted for as a loan and shown as part of debtors. This element of the loan is subject to repayment by the Director over a loan term.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Accounting policies *(continued)*

(j) Share-based payments and employee incentive schemes (continued)

(iv) Equity-settled awards – LTIP *(continued)*

- The other half of the cost of shares, funded initially by the Company, is accounted for as a deduction from equity described as an 'LTIP Loan Reserve'. This element of loan may be written off in due course if the Director leaves the Company as a 'good leaver' or is repaid if the Director leaves the Company as a 'bad leaver'.
- The latter portion of the loan is expensed in the income statement over the service period. The service period is assessed for each loan, based upon factors including past experience of the length of time loans are held for 'good leavers' and the likely retirement age of the Director.
- The credit entries for the expenses charged to the income statement go to Other Reserves within equity.
- On settlement for good leavers, additional amortisation is charged if necessary and Other Reserves are cancelled against the LTIP Loan Reserve. On settlement for bad leavers, the accounting is for a forfeiture, with expenses credited back to the income statement from Other Reserves. In both cases, leavers are required to settle any outstanding debt.

(v) 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 2025

1. Accounting policies *(continued)*

(k) 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.

(l) 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 2025

1. Accounting policies *(continued)*

(m) Financial instruments

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. Financial assets are assessed at the end of each reporting period to determine if there is an indication of impairment. If there is such an indiation, an impairment loss is recognised in the statement of comprehensive income.

(n) Investment in subsidiary

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

(o) Investments

Investments in units or shares of the Group's managed funds are initially held at transaction price, and then revalued to fair value through profit and loss.

(p) 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. Details of these items are provided in note 6.

(q) 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.

(r) LTIP loan reserve

One half of the shares of the Company held by Directors as part of the Long Term Incentive Plan as described in note 1(j)(iv) above, are accounted for at cost as LTIP loan reserve, a negative offsetting reserve within the Group's and Company's equity.

Notes to the Financial Statements

for the year ended 31 March 2025

1. Accounting policies *(continued)*

(s) Other reserves

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

(t) Profit and loss account

Profit and loss account represents distributable reserves.

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

(i) The Group operates various share-based payment and employee incentive schemes for which the employee incentive is linked to the share price of CCLA. There is a judgement in determining the year end share price. The Group engaged an independent specialist to assist in the valuation including the use of discounted cash flow and revenue multiples, in line with IPEV guidelines. The valuations are reviewed and approved by the Board of Directors.

(ii) The Group has determined that there is a judgement in determining the classification between equity and cash-settled for the share-based payment and employee incentive schemes. Each of the employee incentive schemes have been reviewed and the accounting treatment assessed as either equity or cash-settled in accordance with FRS102.

(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 payroll taxes 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.

Notes to the Financial Statements

for the year ended 31 March 2025

3. Turnover

The turnover of the Group was made entirely in the United Kingdom and derives from investment management business.

	2025 £'000	2024 £'000
Fees from pooled funds	62,163	57,905
Other fees	3,533	3,032
	65,696	60,937

4. Administrative expenses

	Note	2025 £'000	2024 £'000
Administrative expenses included:			
Staff costs	*5*	34,541	33,371
Other administrative costs		16,244	15,504
Depreciation of tangible assets		383	372
Amortisation of intangible assets		468	472
Operating lease costs for premises		792	777
Foreign exchange losses		40	33
Auditor's remuneration:			
Fees payable to the Company's auditor for the audit of the Company and the Group's consolidated financial statements		72	69
Fees payable to the Company's auditor for other services:			
– Audit of the Company's subsidiary		35	33
– Audit-related assurance services of the Company and the Company's subsidiary		230	185
		52,805	50,816

Notes to the Financial Statements

for the year ended 31 March 2025

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:

	2025	2024
Administration and Finance	73	77
Investment Management and Research	35	36
Business Development and Client Service	60	56
Company Secretarial and Risk & Compliance	17	17
	185	186

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

The costs incurred in respect of these employees were:

	2025 £'000	2024 £'000
Wages and salaries (including cash bonuses)	25,166	24,621
Share-based payments	2,830	2,572
Social security costs	3,695	3,399
Other pension costs	2,026	2,030
	33,717	32,622
Other staff costs	824	749
	34,541	33,371

Directors' remuneration and fees

Remuneration and fees for both the Executive and Non-Executive Directors for the year ended 31 March 2025 are disclosed as follows.

Two Executive Directors participated in the Group Personal Pension Scheme provided by Legal and General (2024: two). Details of this Scheme are set out in note 1(i) of the notes to the financial statements. One Executive Director participated in other schemes (2024: one).

Notes to the Financial Statements

for the year ended 31 March 2025

5. Employees and Directors *(continued)*

The benefits-in-kind available to the Executive Directors include private healthcare and life assurance protection. These benefits are also available to all employees under their terms and conditions of employment.

During the year three (2024: three) Directors participated in the Long Term Incentive Plan. Note 20 contains details of the plan.

Directors' remuneration and fees in respect of the year (including bonuses paid after the year end) were as follows:

	2025 £'000	2024 £'000
Emoluments paid to Executive Directors	1,879	1,791
Emoluments paid to Non-Executive Directors	350	350
Company pension scheme contributions in respect of Directors	30	30
Payments under long-term incentive schemes	677	850

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

The highest paid Director received remuneration, excluding pension contribution, of £835,987 (2024: £793,569). Pension contributions were £10,000 (2024: £10,000) and at the year-end £nil (2024: £nil) was payable to a pension scheme in respect of the highest paid Director. The highest-paid Director also received a payment of £343,525 under a long-term incentive scheme (2024: £410,017).

New grants made to the Executive Directors under the CCLA Bonus Deferral Policy totalled £819,000 (2024: £925,000), of which £494,000 (2024: £610,000) were made to the highest-paid Director. The new grants result in no payment before 2028 (2027 for 2024 awards).

Notes to the Financial Statements

for the year ended 31 March 2025

5. Employees and Directors *(continued)*

Pension costs

During the year, the Company operated one pension scheme, the Group Personal Pension Scheme ('GPP') operated by Legal and General.

The cost of contributions (excluding salary sacrifice) payable by the Company to the GPP amounted to £2,013,000 (2024: £2,020,000). Contributions amounting to £224,000 (2024: £210,000) were outstanding at the year end.

Life assurance costs for members of the GPP amounted to £90,000 (2024: £64,000).

Other Pension costs

The Company incurred other pension costs of £10,000 (2024: £10,000) 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 employees were granted deferred bonus awards linked to the performance of CCLA managed funds over vesting periods. For all such awards, settlement will be in cash. The charge for these awards in the year was £2,056,000 (2024: £1,925,000), including employer payroll taxes. The liability in respect of these awards is included in accruals. As at 31 March 2025, the liability totalled £4,974,000 (31 March 2024: £3,040,000), including employer payroll taxes.

Up to 31 March 2021 deferred bonus awards linked to the total return of CCLA shares over vesting periods were granted to the Executive Directors and certain other employees. These awards are due to be settled in the equity of the Company. The charge for these awards in the year was £15,000 (2024: £125,000), including employer payroll taxes. The amortisation in respect of these awards is reflected in the Statement of Changes in Equity and included within Other Reserves. As at 31 March 2025, Other Reserves relating to deferred bonus totalled £nil (31 March 2024: £859,000), with a provision of £nil (31 March 2024: £127,000) for employer payroll taxes on these awards included as a liability within accruals.

Notes to the Financial Statements

for the year ended 31 March 2025

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:

	2025	2024
Outstanding as at 31 March 2024 (2023)	273,729.88	617,762.92
Movements in the year:		
Option exercises on vesting of awards	(273,729.88)	(336,134.18)
Options increased following the declaration of a dividend	–	13,818.10
Options forfeited	–	(21,716.96)
Outstanding as at 31 March 2025 (2024)	–	273,729.88

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(j)(v)). During the year, 66,986 matching shares (2024: 58,913) were allotted at a charge of £229,000 (2024: £231,000) and other debit movements including accruals of £2,000 (2024: debit of £7,000).

Allocations of shares under the LTIP are accounted for as equity-settled share-based payments as described in note 1(j)(iv). No shares were allotted under the LTIP in the current and prior years. The charge during the year for LTIP awards was £333,000 (2024: £386,000), included within administrative expenses. As at 31 March 2025, Other Reserves relating to LTIP totalled £1,849,000 (2024: £1,516,000). None of these awards vested in the year.

During the year, the Company granted awards to certain employees under the LTIP 2. As described in note 1(j)(ii), these allocations under the LTIP 2 are accounted for as cash-settled share-based payments. The charge during the year for these awards was £608,000 (2024: £158,000), including employer payroll taxes. The liability in respect of these awards is included in accruals. As at 31 March 2025, the liability totalled £1,074,000 (2024: £466,000), including employer payroll taxes. None of these awards vested in the year.

Notes to the Financial Statements
for the year ended 31 March 2025

5. Employees and Directors *(continued)*

Share-Based Payments *(continued)*

The expenses (including employer payroll taxes) for all of these awards are included as staff costs within administrative expenses.

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:

	2025 £'000	2024 £'000
Cash bonuses	7,646	7,744
Deferred bonuses	1,746	1,810
Total Charge	**9,392**	**9,554**

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 items for the Group as follows:

a) A charge for project costs of £1,881,000 (2024: £1,483,000) arising in relation to: costs of upgrading and replacing CCLA's operational processes and infrastructure; costs in relation to the planned conversion of our Common Investment Funds to regulated funds; and costs for one off legal fees.

b) A charge of £2,138,000 (2024: £nil) relating to the corporate transaction described in note 22.

Notes to the Financial Statements

for the year ended 31 March 2025

7. Tax on profit

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

	2025 £'000	2024 £'000
Current tax:		
UK corporation tax on the profit for the year	4,151	3,264
Total current tax	4,151	3,264
Deferred tax recovery	(515)	(191)
Total deferred tax	(515)	(191)
Adjustments in respect of prior periods	(4)	(30)
Tax on profit on ordinary activities	3,632	3,043
Current tax movements in statement of changes in equity (see note 1(k))	(16)	(114)

The tax assessed for the year is higher than (2024: higher than) the standard rate of corporation tax in the UK and the difference is made up as follows:

	2025 £'000	2024 £'000
Profit before taxation	11,741	12,154
UK corporation taxation on profits at 25% (2024: 25%)	2,935	3,039
Effects of:		
Expenses and depreciation not deductible for tax purposes	628	86
Prior year changes and other movements	69	(82)
Tax on profit	3,632	3,043

Notes to the Financial Statements
for the year ended 31 March 2025

7. Tax on profit ***(continued)***

(b) Deferred tax asset

	2025 £'000	2024 £'000
At beginning of year	1,658	1,595
Amounts credited to profit and loss	515	191
Amounts (debited to statement of changes in equity (see note 1(k))	(16)	(128)
At end of year	2,157	1,658

Deferred tax consists of the following timing differences:		
Decelerated capital allowances	51	40
Timing differences relating to deferred bonus awards	1,435	1,228
Other timing differences	671	390
	2,157	1,658

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

	2025 £'000	2024 £'000
Credits to current tax	16	114
Debits to deferred tax	(16)	(128)
	–	(14)

Notes to the Financial Statements

for the year ended 31 March 2025

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 Improvements £'000	General Equipment £'000	Total Tangible £'000	Total £'000
Cost					
At 1 April 2024	2,417	2,118	1,830	3,948	6,365
Additions	10	36	132	168	178
Amounts written off	–	–	(1,520)	(1,520)	(1,520)
At 31 March 2025	2,427	2,154	442	2,596	5,023
Accumulated amortisation/depreciation					
At 1 April 2024	1,908	527	1,746	2,273	4,181
Charge for year	468	306	77	383	851
Amounts written off	–	–	(1,520)	(1,520)	(1,520)
At 31 March 2025	2,376	833	303	1,136	3,512
Net book value					
At 31 March 2024	509	1,591	84	1,675	2,184
At 31 March 2025	51	1,321	139	1,460	1,511

Notes to the Financial Statements
for the year ended 31 March 2025

9. Debtors

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Trade debtors	6,795	1,775	6,205	2,391
Amounts due from subsidiary undertaking	–	–	–	544
Other debtors	861	1,214	751	486
Deferred tax	2,157	2,157	1,658	1,658
Prepayments and accrued income	2,199	2,066	2,347	2,033
Amounts due under the LTIP	1,651	1,651	1,761	1,761
	13,663	8,863	12,722	8,873

For both the Group and Company, all debtors are receivable within one year, with the exception of deferred tax where £827,000 (2024: £971,000) is due later than 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.

10. Investments

As at 31 March 2025, the Group and Company held investments of £6,294,000 (2024: £4,296,000) which comprised the following:

- The investment in the CCLA Better World Global Equity Fund is held at fair value of £6,284,000 (2024: £4,285,000). During the year, the Company purchased units in the fund totalling £2,160,000 (2024: 1,884,000) and recognised a revaluation loss of £161,000 (2024: gain of £766,000).
- The investment in the CCLA Better World Cautious Fund is held at fair value of £10,000 (2024: £11,000). During the year, the Company purchased units in the fund totalling £nil (2024: £10,000) and recognised a revaluation loss of £1,000 (2024: gain of £1,000).
- The investment in Worthstone Limited is held at £1 (2024: £1), being cost less impairment, as the fair value cannot be measured reliably.

Notes to the Financial Statements

for the year ended 31 March 2025

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 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Accruals and deferred income	20,841	20,743	18,343	18,112
Trade creditors	3,417	1,818	2,433	936
Amounts due to subsidiary undertaking	–	1,378	–	–
Corporation tax	2,128	835	1,193	227
Other taxation and social security	1,558	607	1,799	207
Other creditors	69	22	–	–
	28,013	25,403	23,768	19,482

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

Within accruals £2,038,000 (2024: £3,686,000) for both the Group and Company is due later than one year. This relates to cash-settled share-based payment liabilities including employers payroll taxes.

14. Provisions for liabilities and charges

The Group and Company have provisions as set out below:

	Dilapidations £'000	Total £'000
At 1 April 2024	580	580
Charged to profit or loss	13	13
At 31 March 2025	593	593

Dilapidations provision of £593,000 is expected to be utilised within five years.

Notes to the Financial Statements

for the year a 31 March 2025

15. Called up share capital

Group and Company	2025 £'000	2024 £'000
Authorised:		
44,000,000 (2024: 44,000,000) Ordinary Shares of 1p (2024: 1p)	440	440
6,000,000 (2024: 6,000,000) Ordinary Non-Voting Shares of 1p (2024: 1p)	60	60
550,000,000 (2024: 550,000,000) 'P' Ordinary Shares of 1p (2024: 1p)	5,500	5,500
	6,000	6,000

Group and Company	2025 £'000	2024 £'000
Allotted and fully paid:		
21,613,700 (2024: 21,613,700) Ordinary Shares of 1p (2024: 1p)	216	216
2,600,000 (2024: 2,600,000) Ordinary Non-Voting Shares of 1p (2024: 1p)	26	26
	242	242

During the year, the Company did not issue any Ordinary Shares (2024: nil). The Company did not issue Non-Voting Ordinary Shares.

Shareholders as at 31 March 2025 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.
1,932,981 Ordinary Shares are owned by the current Executive Directors.
446,920 Ordinary Shares are owned by the CCLA Share Incentive Plan.
138,347 Ordinary Shares are owned by current CCLA employees
28,752 Ordinary Shares are owned by the CCLA Employee Share Trust
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.

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

Notes to the Financial Statements

for the year ended 31 March 2025

16. Distributable reserves

The Group and Company had distributable reserves as follows.

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Profit and loss account	57,154	29,319	54,297	27,864

17. Equity dividends

	2025 £'000	2024 £'000
Interim Dividend		
Ordinary Shares	5,076	5,048
21p (2024: 21p) per 1p (2024: 1p) share		
Total dividend paid	5,076	5,048

18. Reconciliation of cash flows from operating activities

	2025 £'000	2024 £'000
Profit for the financial year	8,109	9,111
Interest receivable	(3,031)	(2,749)
Losses/(gains) on investments	162	(767)
Tax on profit on ordinary activities	3,632	3,043
Operating profit	8,872	8,638
Depreciation expense	383	372
Amortisation expense	468	472
Increase in creditors	3,323	6,731
Increase in debtors	(537)	(805)
Amortisation and settlement of equity settled awards	(702)	191
Net cash from operating activities	11,807	15,599

Notes to the Financial Statements

for the year ended 31 March 2025

19. Commitments and contingent liabilities

Operating lease commitments

The Group and Company had commitments as set out below:

	2025 £'000	2024 £'000
Within one year	1,057	1,057
Between one and five years	3,481	4,230
Over five years	–	308
	4,538	5,595

These commitments relate to the lease for One Angel Lane, London which commenced 1 February 2022 and terminates on 17 July 2029.

20. 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 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
The Church of England Investment Fund and other CBF Funds	15,125	14,220	14,208	13,206
COIF Charities Investment Fund and other COIF Charity Funds	37,514	–	33,837	–
LAMIT and The Local Authorities Property Fund	6,731	–	7,612	–

The above mentioned related parties are shareholders in the Company.

At the year ended 31 March 2025 there were amounts due from related parties as follows:

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
The Church of England Investment Fund and other CBF Funds	1,426	1,426	1,287	1,287
COIF Charities Investment Fund and other COIF Charity Funds	4,371	144	3,749	3,749
LAMIT and The Local Authorities Property Fund	692	–	–	–

Notes to the Financial Statements

for the year ended 31 March 2025

20. Related party transactions *(continued)*

Please refer to note 5 for details of Directors' remuneration for the Group.

Loans were made to Executive Directors to purchase new Ordinary Shares in CCLA, under the Long Term Incentive Plan, as follows:

	Loan and interest due at 1 April 2024 £	Loans made during the year £	Loans repaid during the year £	Interest charged during the year £	Charged during the year £	Loan due at 31 March 2025 £
Peter Hugh Smith	2,278,607	–	(112,537)	51,950	–	2,218,020
Elizabeth Sheldon	1,290,114	–	(64,210)	29,419	–	1,255,323
Andrew Robinson	359,205	–	(23,076)	8,275	–	344,404
Total	3,927,926	–	(199,823)	89,644	–	3,817,747
Amortisation[(i)]	(1,516,472)	–	–	–	(332,954)	(1,849,426)
Total	2,411,454	–	(199,823)	89,644	(332,954)	1,968,321

[(i)] 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 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 2.5% of the original loan (5% for loans issued before 1 June 2019) are made per annum.

(b) The loans carry an interest rate which is variable, based upon published rates. The Directors receive a bonus to cover the cost of this interest.

(c) The loans are not included in Directors' emoluments disclosed in note 5, except for the beneficial interest benefit declared for tax purposes; and any write-off applied to the Directors' loans. 50% of the value of loans, excluding accrued interest, is written off by the Company if and when the Director leaves as a 'Good Leaver'.

All of the above loans are accounted for as debtors and as LTIP loan reserve as described in note 1(j)(iv). The loans are accounted for: at transaction price on initial recognition; and thereafter at amortised cost using the effective interest method.

The amount due as shown in the table above as at 31 March 2025 of £1,969,000 (2024: £2,412,000) (rounded) corresponds to: LTIP loan reserve of £2,167,000 (2024: £2,167,000); plus amounts due under the LTIP within debtors of £1,651,000 (2024: £1,761,000) (see note 9); less the share-based payment amortisation of £1,849,000 (2024: £1,516,000) included within other reserves.

Notes to the Financial Statements
for the year ended 31 March 2025

21. 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 Catholic Investment 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 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'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 20.

The registered office of all related undertakings is One Angel Lane, London EC4R 3AB.

22. Post balance sheet event

On 10 July 2025, it was announced that CCLA would be acquired by Jupiter Fund Management plc ('Jupiter'), subject to regulatory approval.

The completion of the transaction will trigger change of control provisions which include the Company's incentive schemes, resulting in the acceleration of the vesting of these schemes at the transaction price. Over a period extending to two years following completion of the transaction (to the later part of 2027), the total cost of these awards, including share price uplift where applicable, is estimated to be £7.7m. In addition, the Company has incurred costs of £2.1m in relation to the transaction in the current year and it is anticipated that additional costs of approximately £2.5m will be incurred in the year to 31 March 2026.

On 15 April 2025, the Company issued 20,000 shares to meet the needs of the Share Incentive Plan and it has been agreed that up to a further 68,000 shares may also be issued later in 2025.

The Group and Company has assessed its going concern position in the light of this transaction and continues to assess that the Group and Company will continue to be going concerns for the foreseeable future.

Company Information

Registered number	2183088
Registered Office	One Angel Lane, London EC4R 3AB T: 0844 561 5000 www.ccla.co.uk
Statutory Auditor	Deloitte LLP, 110 Queen Street, Glasgow G1 3BX
Bankers	HSBC Bank Plc, 60 Queen Victoria Street, London EC4N 4TR

CCLA

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