

COIF CHARITIES GLOBAL EQUITY INCOME FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

Year ended 31 December 2018

CCLA

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*Collectively, these comprise the Manager's Report.

**Audited.

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

Disability Discrimination Act 1995

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

REPORT OF THE BOARD

for the year ended 31 December 2018

On behalf of the Board, I have pleasure in presenting the Annual Report and Financial Statements of the COIF Charities Global Equity Income Fund (the Fund), which includes a separate report from CCLA Fund Managers Limited (the Manager) as Manager of the Fund.

Structure and management of the Fund

The Fund is a Common Investment Fund established and regulated by the Scheme dated 30 October 2007 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by written resolutions of the Depositary of the Fund dated 21 July 2014, 22 July 2014 and 5 December 2015. The Fund is managed by the Manager as an unregulated collective investment scheme and as an alternative investment fund in accordance with the FCA Regulations and the Alternative Investment Fund Managers Directive (AIFMD) Legislation.

The Board, created under the Scheme, is made up of individuals appointed under the Scheme. Together, these individuals have wide experience of finance, investments, charities and the law. No Board member is required to be authorised by the FCA because the Board does not carry out regulated activities in relation to the Fund. The investment management, administration, registrar and secretarial functions of the Fund have been delegated to the Manager. The Board meets at least four times per annum to receive reports and monitor the progress of the Fund.

The Board is responsible for setting and subsequently reviewing the investment policy of the Fund, monitoring performance, appointing the Auditors to the Fund and agreeing the fees charged by the Depositary, the Manager and the Auditors.

The Trustee and Depositary, HSBC Bank plc, appointed under the Scheme is responsible for the supervision and oversight of the Manager's compliance with the Scheme and Scheme Particulars and also for the custody and safekeeping of the property of the Fund. It is also responsible for the appointment and supervision of the Registrar of the Fund. The division between management and Depositary functions provides an additional layer of protection for unitholders. The Board, Depositary and Manager are considered Charity Trustees of the Fund within the meaning of the Charities Act 1993 (amended Charities Act 2011).

Investment objective

The Fund aims to provide a high level of income with long-term capital growth.

Investment policy

The Fund is an actively managed, diversified portfolio of global equities. It will principally invest in UK and overseas equities, but may also invest in other assets.

REPORT OF THE BOARD

for the year ended 31 December 2018

Benchmark

MSCI™ World Index is the benchmark for the Fund.

Distribution Policy

From 1 January 2018, the Fund had the capacity to make distributions from capital.

Suitability

The Fund is suitable for the long-term funds of any charity seeking a high income from investing in global equities.

Review of investment activities and policies of the Fund

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

The Board reviewed the progress of the Manager and approved the valuation of the investments in the Fund, which are included within these Financial Statements in the portfolio statement.

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

Responsible investment and stewardship

The Fund is managed in accordance with CCLA's responsible investment approach. This integrates environmental, social and governance issues into investment decision making and prioritises ongoing stewardship with investee companies. These activities are conducted with the aim of increasing the security of the Fund.

The Manager is a signatory to the United Nations backed Principles of Responsible Investment (PRI) and the Financial Reporting Council's Stewardship Code. The most recent PRI Assessment and the full response to the Stewardship Code are available at <https://www.ccla.co.uk/our-approach/how-we-approach-stewardship-and-ethics>.

Ethical investment

The Board's main purpose is to obtain the best return for unitholders, consistent with commercial prudence and the need to ensure adequate spread and diversification of assets.

In this spirit, the Board has adopted an ethical investment policy which reflects client priorities researched by the Manager. The Fund avoids investing in companies that have been identified by our third-party data provider (MSCI), through data feeds selected by the Manager, as:

- Being involved in the production of cluster munitions and land mines;
- A producer of tobacco products; and
- Generating more than 10% of revenue from online gambling or the production of pornography.

REPORT OF THE BOARD

for the year ended 31 December 2018

Companies that have not responded to persistent engagement on compliance with:

- The ILO Core Labour Standards;
- The UN Guiding Principles on Business and Human Rights; and
- Norms relating to Biodiversity, Toxic Waste and Climate Change disclosure;

are also restricted from investment.

Controls and risk management

The Board receives and considers regular reports from the Manager. The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

During the year, the Board, assisted by the Manager, reviewed the Fund's systems of internal control. The Board receives from the Manager and reviews a formal risk management report setting out the main risks facing the Fund and the assessment of each risk after application of mitigating controls.

N Morecroft
Chairman
21 May 2019

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2018

Performance

The Fund achieved a gross total return of 1.86% over the year, compared to a return on the comparator of -3.04%. The return on an Income unit, after all costs and charges have been taken into account, was 0.89%; the return on an Accumulation unit was 0.91%. Relative performance was supported substantially by good stock selection results with the high quality companies with strong growth prospects favoured by the Fund outperforming the broad indices. As at 31 December 2018 the Fund had a distribution yield of 3.9% compared with a yield

of 2.76% on global equity indices. The Fund has a total return policy on income whereby the distribution to investors can be sourced from both conventional income receipts and from sustainable capital gains.

Economic and Investment Market Review

The uptrend in the world economy continued in 2018 but the rate of expansion slowed from the best levels achieved in 2017. The US economy continued to grow strongly, boosted by the effects of tax cuts and increased government spending.

Annualised total capital and income return

To 31 December 2018	1 year %	3 years % p.a.	5 years % p.a.
Performance against market indices (before expenses)			
COIF Charities Global Equity Income Fund	1.86	10.14	8.64
Comparator [#]	-3.04	11.61	9.91
MSCI UK World	-2.60	12.20	10.80
MSCI UK Investable Market Index	-9.70	6.25	3.82
Performance after expenses			
Income units*	0.89	9.09	7.54
Accumulation units*	0.91	9.12	7.56

[#] Comparator – From 01.01.16 MSCI £ World. To 31.12.15 MSCI World (50% currency hedged) & to 31.12.11 FTSE All-Share Index.

* Mid to mid plus income re-invested.

Source: CCLA.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2018

Elsewhere, however, the rate of improvement moderated; with Europe, Japan and China all failing to meet earlier expectations. Inflation remained subdued in this environment, easing towards the end of the year as weaker oil costs began to feed through to general price levels. Monetary policy adjustments were strongest in the US, where the Federal Reserve raised interest rates four times over the year. In contrast, the Bank of China enacted a series of measures intended to bolster activity as output growth slowed and confidence was dented by the threat of a trade dispute with the US.

Although the year began with some optimism for the prospects for global equity markets, 2018 proved to be a disappointment, with volatile markets and, in most cases, negative returns. Over the year, early weakness was followed by a period when prices consolidated but failed to regain old highs with any conviction or consistency. Price falls occurred again in the final quarter as interest rate increases in the US, slowing growth in China and the threat of a trade war increased investor fears that an economic recession was a real and increasing risk. For a UK based investor, overseas asset returns were cushioned by the weakness of sterling, but despite this most markets gave negative returns; some significantly so. The domestic UK indices were poor performers returning -9.70%, the other major international markets were close behind; Europe lost -9.19%, Asia -8.51% and Japan -7.58%. Standing apart

from this group was the US which ended the year with an overall gain of 0.60%. This market fell alongside its peers towards the year end, but outperformance earlier cushioned the effects on the full year's outcome. In Europe only Finland ended the year positively. In contrast eight markets were down by more than 10% with the weakest, Greece, -29.81% lower. The picture was similar in Asia where New Zealand and Thailand edged upwards but the rest fell, including Pakistan, -26.69% lower.

Strategy

The portfolio is built on a 'bottom-up' approach: that is by selecting attractive individual assets on their own merits rather than to support pre-determined allocations to any sector or region. In the third quarter of the year a more defensive stance was adopted. This involved taking profits on companies which had risen to be on extended valuations and reducing the exposure to cyclical areas.

A total return approach is taken to the Fund's income distribution policy by which the payments to investors can be supported by both income receipts and sustainable capital returns. The Charity Commission has confirmed that investors in the Fund can account for the entire payment as income.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2018**Outlook**

We expect the world economy to grow in 2019 but at a pace below that achieved for 2018. Activity growth in the US will slow as the boost from tax cuts fades and although the authorities in China have taken steps to support growth, the benefits of these actions will be felt mainly in the second half of the year. Inflation is expected to stay muted even though oil prices will remain volatile. An advantage of modest price pressures is that it will provide some flexibility on monetary policy, slowing the move to higher interest rates if growth slips below target levels.

Investor uncertainty must be expected to continue for the near term. Over time, however, as growth forecasts become more confident, we expect values to stabilise. Beyond that there is scope for higher market levels once again.

J Bevan
Chief Investment Officer
CCLA Fund Managers Limited
21 May 2019

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2018

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
Heineken	2,810	Apple	3,389
NASDAQ OMX Group	2,526	Anta Sports	2,081
Adidas	2,318	Samsonite International	2,026
Activision	2,285	Microsoft	1,989
Fidelity National Information	2,119	Blackstone Mortgage Trust	1,739
Nomura Research Institute	1,788	Anheuser Busch	1,719
McDonald's	1,779	Texas Instruments	1,592
Total	1,639	Home Depot	1,566
Fresenius	1,607	Facebook	1,540
Beiersdorf	1,459	Vodafone	1,470

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

Risk warning

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

The Fund may invest in emerging market countries which could be subject to political and economic change. The Fund's unit value will reflect fluctuations in securities' prices and currency exchange rates.

The Fund's units are intended only for long-term investment and are not suitable for money liable to be spent in the near future. They are realisable only on each weekly dealing day.

REPORT OF THE DEPOSITARY
for the year ended 31 December 2018

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Scheme Particulars of the Company and as required by the AIFMD.

HSBC Bank plc
Trustee and Depositary Services
8 Canada Square
London E14 5HQ

HSBC Bank plc is authorised and regulated by
the Financial Conduct Authority
21 May 2019

INDEPENDENT AUDITOR'S REPORT

to the Trustees of COIF Charities Global Equity Income Fund

Report on the audit of the financial statements*Opinion*

In our opinion, COIF Charities Global Equity Income Fund's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 6 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of total return; the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements which include a summary of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

INDEPENDENT AUDITOR'S REPORT**to the Trustees of COIF Charities Global Equity Income Fund**

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear and it is difficult to evaluate all of the potential implications on the Scheme's business and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of

this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Statement of Board, Trustee, Depositary and Manager Responsibilities

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Statement of Board, Trustee, Depositary and Manager Responsibilities is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements
As explained more fully in the Statement of Board, Depositary and Manager Responsibilities set out on page 43, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT**to the Trustees of COIF Charities Global Equity Income Fund**

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting*Charities Act 2011 exception reporting*

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns.

INDEPENDENT AUDITOR'S REPORT
to the Trustees of COIF Charities Global Equity Income Fund

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London
Riverside
London
21 May 2019

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

RISK AND REWARD PROFILE

The European Union imposed legislation which sets out detailed guidelines for the calculation of the risk ratings to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the Fund will lose money because of movements in markets.



We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level. The summary risk indicator assumes investment in the Fund for the recommended holding period of five years.

In practice, the risk of the Fund may be significantly higher than that represented in the summary risk indicator. This may include the effect of holding the Fund for less than the recommended holding period, or if market volatility in the future is higher than that experienced over the past.

The Fund should be considered illiquid as it is not admitted to trading on a secondary market and no alternative liquidity facility is promoted by the manager or a third party. However, investors can request redemption at any time and the Fund deals on a weekly basis. This product does not include any protection from future market performance so you could lose some or all your investment.

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

COMPARATIVE TABLE

Change in net assets per unit

	Year to 31.12.2018 pence per unit	Income units Year to 31.12.2017 pence per unit	Year to 31.12.2016 pence per unit
Opening net asset value per unit	172.92	163.28	145.51
Return before operating charges*	3.42	17.82	25.82
Operating charges	(1.69)	(1.62)	(1.49)
Return after operating charges*	1.73	16.20	24.33
Distributions on Income units	(6.56)	(6.56)	(6.56)
Closing net asset value per unit	168.09	172.92	163.28
* after direct transaction costs of:	0.08	0.21	0.13

Performance

Return after charges	1.00%	9.92%	16.72%
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Other information

Closing net asset value (£'000)	138,533	149,985	137,704
Closing number of units	82,414,435	86,736,050	84,335,224
Operating charges**	0.95%	0.95%	0.97%
Direct transaction costs	0.04%	0.13%	0.08%

Prices (pence per unit)

Highest unit price (offer)	192.22	176.46	167.86
Lowest unit price (bid)	162.77	160.27	132.89

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

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

COMPARATIVE TABLE

Change in net assets per unit

	Accumulation units		
	Year to 31.12.2018 pence per unit	Year to 31.12.2017 pence per unit	Year to 31.12.2016 pence per unit
Opening net asset value per unit	280.17	254.55	217.41
Return before operating charges*	5.35	28.18	39.41
Operating charges	(2.78)	(2.56)	(2.27)
Return after operating charges*	2.57	25.62	37.14
Distributions on Accumulation units	(4.96)	(9.30)	(10.41)
Retained distributions on Accumulation units	4.96	9.30	10.41
Closing net asset value per unit	282.74	280.17	254.55
* after direct transaction costs of:	0.13	0.34	0.20
Performance			
Return after charges	0.92%	10.06%	17.08%
Other information			
Closing net asset value (£'000)	4,962	5,031	5,723
Closing number of units	1,754,997	1,795,499	2,248,299
Operating charges**	0.95%	0.95%	0.97%
Direct transaction costs	0.04%	0.13%	0.08%
Prices (pence per unit)			
Highest unit price (offer)	317.44	283.23	259.92
Lowest unit price (bid)	263.72	249.85	198.58

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

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

OPERATING CHARGES ANALYSIS

for the year ended 31 December 2018

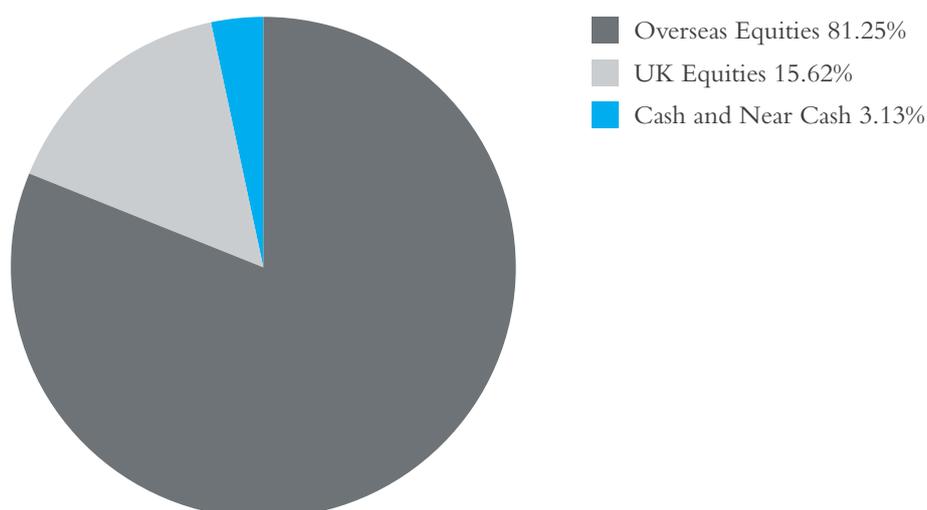
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2018	31.12.2017
	%	%
Manager's periodic charge including VAT	0.90	0.90
Manager's fee for ethical services	0.01	0.01
Safe custody fees and depositary fee	0.02	0.02
Other expenses	0.02	0.02
Total operating charges	0.95	0.95

PORTFOLIO ANALYSIS

at 31 December 2018

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	52.93%
Developed Europe	16.52%
Asia Pacific ex Japan	6.76%
Japan	4.55%
Other Americas	0.49%
	81.25%

Breakdown of Equities by Sector

Information Technology	16.67%
Financials	16.22%
Consumer Staples	14.87%
Health Care	13.45%
Industrials	10.72%
Consumer Discretionary	9.61%
Communication Services	6.09%
Materials	4.55%
Real Estate	1.96%
Energy	1.71%
Utilities	1.02%
	96.87%

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

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM 15.61% (31.12.2017, 19.88%)			
Consumer Discretionary 2.02% (31.12.2017, 1.77%)			
Compass Group	93,908	1,545	1.08
InterContinental Hotels Group	31,956	1,352	0.94
Consumer Staples 4.93% (31.12.2017, 5.16%)			
Diageo	80,332	2,245	1.56
Reckitt Benckiser	25,431	1,529	1.07
Unilever	80,329	3,300	2.30
Energy 0.00% (31.12.2017, 0.80%)			
Financials 3.08% (31.12.2017, 4.53%)			
London Stock Exchange	60,712	2,465	1.72
Prudential	139,600	1,957	1.36
Health Care 0.82% (31.12.2017, 0.51%)			
Abcam	42,997	469	0.33
Genus	33,141	709	0.49
Industrials 3.05% (31.12.2017, 3.70%)			
Experian	86,602	1,649	1.15
RELX	169,235	2,730	1.90
Materials 1.71% (31.12.2017, 2.39%)			
Croda International	28,341	1,328	0.93
DS Smith	373,109	1,116	0.78
Telecommunication Services 0.00% (31.12.2017, 1.02%)			
OVERSEAS EQUITIES 81.26% (31.12.2017, 75.92%)			
DEVELOPED EUROPE 16.52% (31.12.2017, 16.01%)			
Consumer Discretionary 2.55% (31.12.2017, 1.81%)			
Adidas	13,280	2,175	1.52
LVMH Moët Hennessy Louis Vuitton	6,407	1,485	1.03

PORTFOLIO STATEMENT
at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Consumer Staples 5.78% (31.12.2017, 3.50%)			
Beiersdorf	18,318	1,501	1.05
Heineken	36,681	2,537	1.77
L'Oreal	7,660	1,381	0.96
Nestlé	45,148	2,869	2.00
Energy 0.94% (31.12.2017, 0.00%)			
Total	32,539	1,349	0.94
Financials 1.00% (31.12.2017, 3.39%)			
Deutsche Boerse	15,294	1,435	1.00
Health Care 1.32% (31.12.2017, 2.00%)			
DiaSorin	13,601	863	0.60
Fresenius	27,066	1,028	0.72
Industrials 2.06% (31.12.2017, 3.38%)			
Assa Abloy	73,020	1,019	0.71
Epiroc A	95,647	705	0.49
SGS Surveillance	702	1,235	0.86
Information Technology 1.21% (31.12.2017, 0.90%)			
SAP	22,149	1,734	1.21
Materials 1.66% (31.12.2017, 1.03%)			
Givaudan	905	1,640	1.14
Sika	7,593	753	0.52
NORTH AMERICA 52.97% (31.12.2017, 47.13%)			
Communication Services 4.87% (31.12.2017, 2.70%)			
Activision Blizzard	44,509	1,629	1.14
Alphabet	4,636	3,775	2.63
Walt Disney	18,297	1,575	1.10
Consumer Discretionary 5.04% (31.12.2017, 3.97%)			
Amazon	2,172	2,564	1.79
Booking Holdings	1,421	1,922	1.34
McDonald's	14,553	2,029	1.41
Starbucks	14,311	724	0.50

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Consumer Staples 0.87% (31.12.2017, 2.91%)			
Colgate-Palmolive	26,817	1,253	0.87
Energy 0.77% (31.12.2017, 1.06%)			
Chevron	12,990	1,110	0.77
Financials 10.33% (31.12.2017, 9.24%)			
Bank of America	92,074	1,783	1.24
Blackstone	38,078	891	0.62
Chicago Mercantile Exchange	18,202	2,688	1.87
Citigroup	29,320	1,198	0.84
JP Morgan Chase	35,851	2,751	1.92
NASDAQ OMX Group	36,854	2,360	1.64
S&P Global	12,166	1,623	1.13
Schwab (Charles)	47,203	1,540	1.07
Health Care 10.12% (31.12.2017, 7.63%)			
Medtronic	32,267	2,305	1.61
Pfizer	77,984	2,672	1.86
Stryker	18,984	2,336	1.63
Thermo Fisher Scientific	15,818	2,779	1.94
UnitedHealth Group	14,278	2,793	1.95
Zoetis	24,085	1,617	1.13
Industrials 4.41% (31.12.2017, 3.83%)			
3M Company	8,351	1,249	0.87
Canadian Pacific Railway	9,803	1,362	0.95
Danaher	13,272	1,074	0.75
Honeywell International	19,210	1,992	1.39
Rockwell Automation	5,413	640	0.45
Information Technology 12.41% (31.12.2017, 11.06%)			
Accenture	17,232	1,908	1.33
Adobe	7,981	1,419	0.99
Fidelity National Information Services	27,638	2,224	1.55
IPG Photonics	3,630	323	0.23
Mastercard	14,680	2,174	1.52
Microsoft	46,391	3,703	2.58

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
PayPal	27,577	1,822	1.27
SS&C Technologies	33,356	1,181	0.82
Texas Instruments	9,467	702	0.49
Visa A	22,515	2,333	1.63
Materials 1.18% (31.12.2017, 0.93%)			
Ecolab	14,617	1,691	1.18
Real Estate 1.95% (31.12.2017, 1.87%)			
Alexandria Real Estate Equities	16,568	1,499	1.04
Prologis	28,372	1,308	0.91
Utilities 1.02% (31.12.2017, 1.93%)			
Duke Energy	21,566	1,461	1.02
OTHER AMERICAS 0.49% (31.12.2017, 0.69%)			
Consumer Staples 0.49% (31.12.2017, 0.69%)			
Ambev	226,600	706	0.49
JAPAN 4.54% (31.12.2017, 4.34%)			
Consumer Discretionary 0.00% (31.12.2017, 0.53%)			
Consumer Staples 1.74% (31.12.2017, 1.43%)			
Kao	42,800	2,494	1.74
Industrials 1.20% (31.12.2017, 0.88%)			
FANUC	5,200	619	0.43
Recruit Holdings	58,200	1,108	0.77
Information Technology 1.60% (31.12.2017, 0.64%)			
Keyence	2,100	837	0.58
Nomura Research Institute	50,400	1,466	1.02
Telecommunication Services 0.00% (31.12.2017, 0.86%)			

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
ASIA PACIFIC EX JAPAN 6.74% (31.12.2017, 7.75%)			
Communication Services 1.22% (31.12.2017, 0.92%)			
Tencent Holdings	55,800	1,756	1.22
Tencent Holdings – Rights Issue	14	–	–
Consumer Discretionary 0.00% (31.12.2017, 2.54%)			
Consumer Staples 1.05% (31.12.2017, 0.31%)			
LG Household & Healthcare	1,955	1,513	1.05
Financials 1.81% (31.12.2017, 1.21%)			
AIA	397,600	2,592	1.81
Health Care 1.19% (31.12.2017, 0.99%)			
Sonic Healthcare	140,752	1,712	1.19
Information Technology 1.47% (31.12.2017, 1.78%)			
Taiwan Semiconductor Manufacturing Company	73,042	2,116	1.47
PRIVATE EQUITY & OTHER 0.00% (31.12.2017, 1.01%)			
CONTRACTUAL & OTHER INCOME 0.00% (31.12.2017, 1.21%)			
FORWARD CURRENCY CONTRACTS (0.01%) (31.12.2017, 0.00%)			
Buy GBP 8,934,879 & Sell EUR 10,218,882		(252)	(0.18)
Buy GBP 20,858,577 & Sell EUR 27,477,004		(667)	(0.46)
Buy EUR 10,218,882 & Sell GBP 8,937,639		249	0.17
Buy USD 27,477,004 & Sell GBP 20,868,082		658	0.46
INVESTMENT ASSETS		138,992	96.86
NET OTHER ASSETS		4,503	3.14
TOTAL NET ASSETS		143,495	100.00

During the period, certain holdings in the portfolio were reclassified due to GICS sector changes in the comparator.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2018

	Note	Year ended 31.12.2018		Year ended 31.12.2017	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		825		10,498
Revenue	3	2,942		5,864	
Expenses	4	(1,473)		(1,451)	
Net revenue before taxation		1,469		4,413	
Taxation	5	(248)		(511)	
Net revenue after taxation			1,221		3,902
Total return before distributions			2,046		14,400
Distributions	6		(5,587)		(5,855)
Change in net assets attributable to unitholders from investment activities			(3,541)		8,545

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 December 2018

	Year ended 31.12.2018		Year ended 31.12.2017	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		155,016		143,427
Amounts receivable on issue of units	6,144		10,740	
Amounts payable on cancellation of units	(14,213)		(7,877)	
		(8,069)		2,863
Change in net assets attributable to unitholders from investment activities		(3,541)		8,545
Retained distributions on Accumulation units		89		181
Closing net assets attributable to unitholders		143,495		155,016

The notes on pages 27 to 41 and the distribution tables on page 42 form part of these financial statements.

BALANCE SHEET
at 31 December 2018

	<i>Note</i>	31.12.2018		31.12.2017	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			139,911		151,951
Current assets:					
Debtors	7	421		291	
Cash equivalents	8	5,470		3,628	
Cash and bank balances	8	94		734	
Total current assets			5,985		4,653
Total assets			145,896		156,604
LIABILITIES					
Investment liabilities			919		–
Creditors:					
Other creditors	9	130		166	
Distribution payable on Income units		1,352		1,422	
Total creditors			1,482		1,588
Total liabilities			2,401		1,588
Net assets attributable to unitholders			143,495		155,016

The financial statements on pages 25 to 42 have been approved by the Board.

Approved on behalf of the Board
21 May 2019

N Morecroft, Chairman

The notes on pages 27 to 41 and the distribution tables on page 42 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by The Investment Association in May 2014 (and amended in June 2017), the Charities Act 2011, and in accordance with the Scheme and the Collective Investment Scheme Sourcebook. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

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

(b) Revenue recognition

Dividends on ordinary stocks, including special dividends where appropriate, preference shares and unit trusts are accrued to revenue on the dates when the investments are first quoted ex-dividend or otherwise, on receipt of cash. Interest on bank deposits and interest on deposits in the COIF Charities Deposit Fund balances is accrued on a daily basis.

Dividends received from US real estate investment trusts (US REITs) are allocated between revenue and capital for distribution purposes. The split is based on the year-end tax reporting date issued by the US REIT. Where the split of revenue and capital has not been announced at the accounting date a provisional split will be used. The provision will be calculated on the prior year's aggregated dividend split for each US REIT.

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

(c) Stock dividends

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

1. Accounting policies (*continued*)

(e) Expenses

During the year, the Manager's periodic charge, paid to the Manager, was taken to the capital of the Fund. The fee is based on a fixed percentage of the value of the Fund and was 0.75% plus VAT during the year. The Fund received a management fee rebate credited to the revenue of the Fund for its deposits in the COIF Charities Deposit Fund during the year, where management fees were charged to revenue. On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. A fee for ethical and stewardship services is also charged by the Manager. The Depositary fee, audit, legal, safe custody fees and transaction charges and insurance fees are charged separately to the revenue of the Fund before distribution.

(f) Distributions

Distributions are paid quarterly. The Fund utilises an income reserve, to even out the fluctuations in revenue which arise over the years (see note 10). Movements in the income reserve are therefore adjustments made to net revenue in determining the distribution.

From 1 January 2018, distributions can also be supported by the Fund's capital.

(g) Basis of valuation

Quoted investments, including investments with market observable prices, are valued at bid-market values, at the close of business on the last business day of the accounting period.

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

1. Accounting policies (continued)

(i) Cash equivalents

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

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

2. Net capital gains

	31.12.2018 £'000	31.12.2017 £'000
The net capital gains during the year comprise:		
Unrealised losses on non-derivative securities*	(7,111)	(5,228)
Realised gains on non-derivative securities*	8,010	15,606
Currency (losses)/gains	(62)	97
Unrealised losses on forward currency contracts*	(12)	–
Realised gains on forward currency contracts*	–	23
	825	10,498

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

3. Revenue

	31.12.2018 £'000	31.12.2017 £'000
Overseas dividends	2,422	3,991
UK dividends	503	1,808
Property income distributions	–	48
Interest on the COIF Charities Deposit Fund	7	6
Manager's periodic charge rebate*	6	8
Bank interest	4	3
	2,942	5,864

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

4. Expenses

	31.12.2018 £'000	31.12.2017 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(e)	1,388	1,369
Manager's fee for ethical services	22	22
	1,410	1,391
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	19	18
Depositary fee	13	13
	32	31
Other expenses:		
Audit fee	12	12
Insurance fee	1	1
Other fees	18	16
	31	29
Total expenses	1,473	1,451

Audit fee net of VAT is £10,455 (31.12.2017, £10,151).

The above expenses include VAT where applicable.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

5. Taxation

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

	31.12.2018 £'000	31.12.2017 £'000
Overseas taxation suffered in the year	302	434
Overseas recoverable withholding tax (windfall)/written off in the year	(54)	77
Total taxation	248	511

6. Distributions

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

	31.12.2018 £'000	31.12.2017 £'000
31 March – interim distribution	1,398	1,500
30 June – interim distribution	1,417	1,487
30 September – interim distribution	1,400	1,450
31 December – final distribution	1,369	1,447
	5,584	5,884
Add: revenue deducted on cancellation of units	18	38
Deduct: revenue received on issue of units	(15)	(67)
Net distribution for the year	5,587	5,855
Net revenue after taxation for the year	1,221	3,902
Capital transfers for income distribution	2,557	–
Transfer from income reserve – see note 10	399	562
Manager's periodic charge – see note 1(e)	1,410	1,391
Net distribution for the year	5,587	5,855

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

6. Distributions (*continued*)

Details of the distribution per unit are set out in the distribution tables on page 42.

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

There were no unclaimed distributions as at 31 December 2018 (31.12.2017, £nil).

7. Debtors

	31.12.2018 £'000	31.12.2017 £'000
Accrued revenue	116	279
Amounts payable on issue of units	305	12
	421	291

8. Cash equivalents, cash and bank balances

	31.12.2018 £'000	31.12.2017 £'000
Cash equivalents – cash in the COIF Charities Deposit Fund	5,470	3,628
Cash and bank balances – cash at bank	94	734

9. Other creditors

	31.12.2018 £'000	31.12.2017 £'000
Amounts payable on cancellation of units	–	28
Accrued expenses	130	138
	130	166

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

10. Income reserve

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

	31.12.2018 £'000	31.12.2017 £'000
Income reserve at the start of the year	411	949
Equalisation of the income reserve	(12)	24
Transfer from income reserve	(399)	(562)
Income reserve at the end of the year	–	411

11. Financial instruments*Fair value*

Securities held by the Fund are valued at bid-market value (see note 1(g)). Bid-market value is considered to be a fair representation of the amount repayable to unitholders should they wish to sell their units. Other financial assets and liabilities of the Fund are included in the balance sheet at their fair value.

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

Market price risk

This is an actively managed Fund which invests mainly in UK and overseas equities and fixed interest investments. Investors are thus exposed to market price risk, which can be defined as the uncertainty about future price movements of the financial instruments the Fund is invested in. Market price risk arises mainly from economic factors, including investor confidence and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the unit price from time to time, although there will generally be a positive correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives. Risk is monitored at both the asset allocation and stock selection levels by Directors of the Manager on a regular basis and also by the Board.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

11. Financial instruments (continued)

Market price risk (continued)

At 31 December 2018, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders, and profit or loss, would increase or decrease respectively by approximately £6,950,000 (31.12.2017, £7,598,000).

Credit risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase, the cash for a sale or the settlements amounts for forward currency contracts. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager and has employed collateral arrangement for forward currency contracts.

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest securities, pooled funds and sterling and overseas cash deposits. These assets are generally liquid (except for the unit trusts, which are realisable only on their weekly or monthly dealing dates, and the holdings in the unquoted investments, which are not readily realisable) and enable the Fund to meet the payment of any redemption of units that unitholders may wish to make.

Currency risk

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

At 31 December 2018, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders, and profit or loss, would decrease or increase respectively by approximately £1,195,000 (31.12.2017, £1,242,000).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

11. Financial instruments (continued)

Currency risk (continued)

The total foreign currency exposure at 31 December was:

Currency	31.12.2018			31.12.2017		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	–	1,712	1,712	–	1,526	1,526
Brazilian real	–	706	706	–	1,074	1,074
Canadian dollar	3	1,362	1,365	–	–	–
Danish krona	–	–	–	–	1,495	1,495
Euro	16	18,218	18,234	59	19,909	19,968
Hong Kong dollar	–	4,348	4,348	–	7,232	7,232
Japanese yen	17	6,523	6,540	14	6,723	6,737
South Korean won	–	1,513	1,513	–	483	483
Swedish krona	–	1,725	1,725	–	1,076	1,076
Swiss franc	–	6,497	6,497	–	6,715	6,715
US dollar	79	76,736	76,815	213	77,723	77,936
Total	115	119,340	119,455	286	123,956	124,242

The Fund held derivatives relating to forward currency contracts valued at (£12,264) as at 31 December 2018 (31.12.2017, £nil).

Interest rate risk

The majority of the Fund's financial assets are equities which neither receive interest nor have maturity dates. The Fund invests in preference shares classified as fixed interest securities and cash deposits, the revenue of which may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

11. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2018 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	5,564	–	49,764	55,328
Euro	–	–	27,421	27,421
Japanese yen	–	–	6,540	6,540
US dollar	–	–	98,341	98,341
Other	–	–	17,866	17,866
Total	5,564	–	199,932	205,496

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(31,288)	(31,288)
Euro	–	–	(9,187)	(9,187)
US dollar	–	–	(21,526)	(21,526)
Total	–	–	(62,001)	(62,001)

The total exposure at 31 December 2017 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	4,326	–	28,036	32,362
Euro	–	–	19,968	19,968
Japanese yen	–	–	6,737	6,737
US dollar	36	–	77,900	77,936
Other	–	–	19,601	19,601
Total	4,362	–	152,242	156,604

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

11. Financial instruments (continued)

Interest rate risk (continued)

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(1,588)	(1,588)
Total	–	–	(1,588)	(1,588)

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

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

12. Commitments and contingent liabilities

There were no other commitments or contingent liabilities as at 31 December 2018 (31.12.2017, £nil).

13. Board remuneration

The Board members receive no remuneration from the COIF Charity Funds. Mrs R Norris was a director of the Manager's parent company, CCLA Investment Management Limited (CCLA IM) from 1 January 2018 through to her resignation on 17 October 2018 and received remuneration from CCLA IM, which is disclosed in CCLA IM's financial statements. Mr Glenn Newson was appointed a Director of CCLA IM on 29 October 2018 and received remuneration from CCLA IM, which is disclosed in CCLA IM's financial statements.

14. Related party transactions

The Manager's periodic charge and fee for ethical and stewardship services is paid to the Manager, a related party to the Fund. The amounts paid in respect of these charges are disclosed in note 4. An amount of £113,431 was due to the Manager at 31 December 2018 (31.12.2017, £120,879). There were no other transactions entered into with the Manager during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

14. Related party transactions (continued)

At 31 December 2018 a cash balance of £5,469,689 (31.12.2017, £3,627,780) was held in the COIF Charities Deposit Fund. During the year, the Fund received interest of £7,252 (31.12.2017, £6,330) from the COIF Charities Deposit Fund.

During the year the Fund received rebates of management fees for its deposits in the COIF Charities Deposit Fund, where the management fees were charged to revenue as disclosed in note 4.

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

As at 31 December 2018, the COIF Charities Investment Fund held 45.79% (31.12.2017, 43.57%) of the value of the Fund.

15. Portfolio transaction costs

For the year ended 31 December 2018:

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	47,833	25	0.05	7	0.01	47,865
Corporate actions	208	–	–	–	–	208
Total	48,041	25		7		48,073

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	56,951	(33)	0.06	(1)	–	56,917
Corporate actions	4,906	–	–	–	–	4,906
Total	61,857	(33)		(1)		61,823

Commissions and taxes as a percentage of average net assets

Commissions	0.04%
Taxes	0.00%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

15. Portfolio transaction costs (continued)

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2018 was 0.10%.

For the year ended 31 December 2017:

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	106,086	81	0.08	20	0.02	106,187
Total	106,086	81		20		106,187

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	107,097	(83)	0.08	(9)	0.01	107,005
Total	107,097	(83)		(9)		107,005

Commissions and taxes as a percentage of average net assets

Commissions	0.11%
Taxes	0.02%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2017 was 0.12%.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

16. Unitholders' funds – reconciliation of units

	31.12.2018	
	Income units	Accumulation units
Opening number of units at beginning of year	86,736,050	1,795,499
Units issued in year	3,244,450	151,981
Units cancelled in year	(7,566,065)	(192,483)
Closing number of units at end of year	82,414,435	1,754,997

All units carry the same rights.

17. Fair value of financial assets and financial liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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

For the year ended 31 December 2018

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	139,004	907	–	139,911
Investment liabilities	–	(919)	–	(919)
	139,004	(12)	–	138,992

For the year ended 31 December 2017

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	151,951	–	–	151,951
	151,951	–	–	151,951

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

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

DISTRIBUTION TABLES

for the year ended 31 December 2018

Period ended	Date paid/payable	Dividends paid/payable pence per unit	
		2018	2017
Income units			
31 March	31 May	1.64	1.64
30 June	31 August	1.64	1.64
30 September	30 November	1.64	1.64
31 December	28 February	1.64	1.64
		6.56	6.56
Accumulation units			
		Revenue accumulated pence per unit	
		2018	2017
31 March		1.06	3.26
30 June		1.76	2.86
30 September		1.14	1.79
31 December		1.00	1.39
		4.96	9.30

The distributions for Income units were paid in the same year, apart from the distribution declared on 31 December which is payable on the 28 February in the subsequent year.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Board

The Board shall comply with the duty of care when exercising its powers and discharging its duties under the Scheme, as follows:

- making and revising the written statement of the investment objectives of the Fund and ensuring that details of such investment objectives will be included in the Scheme Particulars;
- determining the criteria and methods for evaluating the performance of the Fund;
- granting prior written approval to the Manager should the Manager wish to enter into certain types of investment or a specific course of borrowing on behalf of the Fund;
- appointing the Auditor of the Fund and agreeing their terms of engagement;
- making an annual report on the discharge of the Board's responsibilities;
- determining the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- applying to the Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme;
- making representations to the Trustee on the winding up of the Fund: provided that any Board member who has any interests in the Trustee or the Manager shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- informing the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

Under the Alternative Investment Fund Managers Directive ("AIFMD"), the Board has certain additional responsibilities including:

- the duty to inform the FCA promptly and in writing if the Board is not satisfied with the compliance of the Trustee or the Manager with the applicable provisions of AIFMD; and
- the direct power (without reference to the Charity Commission) to require the removal of the Manager and/or the Trustee where it considers for good and sufficient reason that a change of Manager or Trustee is in the interests of the Participating Charities.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee

The Trustee shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. The Trustee shall comply with the duty of care when exercising its powers and discharging its duties. The following are the duties and powers of the Trustee:

- the supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee shall be satisfied that the Manager is competently exercising its powers and discharging its duties under the Scheme, and that the Manager is maintaining adequate and proper records;
 - the appointment, supervision and oversight of any Registrar or other delegate which it has appointed in accordance with the Scheme;
 - the custody and control of the property of the Fund and the collection of all income due to the Fund;
 - the creation and cancellation of units as instructed by the Manager (except where the Scheme Particulars permit the Trustee to disregard those instructions);
 - making distributions or allocations to Participating Charities in proportion to their respective units in the property of the Fund;
- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and
 - winding up the Fund.

The Trustee shall take all steps and execute all documents as are necessary to secure that instructions given to it by the Manager are carried out as to the exercise of rights (including voting rights) attaching to the ownership of property of the Fund and that the purchases and sales of investments for or of the Fund are properly completed.

The Trustee shall maintain such records as are necessary to enable it to comply with this Scheme and with section 130 of the Charities Act and to demonstrate that such compliance has been achieved.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Depositary

The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD") (together "the Regulations") and the Fund's Scheme Particulars.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of the assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the assets under management and the net asset value per unit of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;

- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme Particulars in relation to the investment and borrowing powers applicable to the Fund.

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Manager

The Manager shall be responsible for those aspects of the administration and management of the Fund and its property which are specified in the Scheme. The Manager shall comply with the duty of care when exercising its powers and discharging its duties under this Scheme. The following are the duties and powers of the Manager:

- instructing the Trustee with respect to the creation and cancellation of units;
- managing the investments of the Fund in conformity with the investment objectives made by the Board;
- ensuring that regular valuations of the property of the Fund are carried out and to ensure that the units are correctly priced;
- the creation and revision of the Scheme Particulars;
- maintenance of a daily record of units purchased or sold on behalf of the Trustee;
- the creation of all records in respect of the Fund, available for inspection by the Trustee;
- the preparation of reports and accounts in respect of every accounting period; and
- the supervision and oversight of any appointed delegate.

The Manager of the Fund is required by the Scheme to:

- prepare and submit to the Commission a statement of accounts and annual report complying with the requirements of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, as amended or replaced from time to time; and
- prepare and submit to the Commission a half-yearly report and accounts for the Fund made up to the date of the interim balance sheet.

The Manager is required to:

- select suitable accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by The Investment Association in May 2014 (and amended in June 2017);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the Financial Statements as prepared comply with the above requirements;

**STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND
MANAGER RESPONSIBILITIES**

- make judgments and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustee has appointed the Manager to act as Registrar to the Fund.

Under AIFMD, the Manager has certain additional responsibilities including, ensuring compliance with the applicable provisions of AIFMD and that any delegation by the Manager is in accordance with AIFMD.

Should the Manager wish to retire, the Manager can only be discharged from its duties under the Scheme following the appointment of a replacement Manager who is eligible under AIFMD to act as Manager of the Fund.

AIFMD DISCLOSURES

Manager Remuneration

The Manager has no employees, but delegates the performance of its services to employees of its parent company, CCLA IM.

Recharges for these services of CCLA IM to the Manager are levied in respect of CCLA IM's year ending on 31 March each year. The recharge for the year to 31 March 2018 was £22,700,000. A recharge of £17,157,000 was levied in the year to 31 March 2017.

The average number of full time equivalent staff of CCLA IM, including temporary staff, for the year ended 31 March 2018 was 121 (year ended 31 March 2017: 110).

During the year ended 31 December 2018 and the prior year, remuneration was paid to CCLA IM staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 December 2018		
	Fixed	Variable	Total
	remuneration	remuneration	
£'000	£'000	£'000	
Identified staff	1,155	1,267	2,422
Other staff	8,744	3,113	11,857
Total	9,899	4,380	14,279

	Year to 31 December 2017		
	Fixed	Variable	Total
	remuneration	remuneration	
£'000	£'000	£'000	
Identified staff	1,174	960	2,134
Other staff	8,274	2,632	10,906
Total	9,448	3,592	13,040

Remuneration above is the total remuneration for CCLA IM; it is not possible to separate the element of that relating only to this fund. The components of remuneration are appropriately balanced and do not create a conflict of interest for the Fund.

(Charity Registration No. 1121433)

Board

R Norris, MSc (Chairman) – retired 17 October 2018
 N Morecroft, ASIP (Chairman)
 K Corrigan, FCCA
 A Daws, Solicitor
 J Hobart, MA
 G Newson, MRICS
 J West, FCA

Secretary

J Fox

Manager

CCLA Fund Managers Limited

Investment Manager and Registrar

CCLA Investment Management Limited
Both CCLA Fund Managers Limited and CCLA Investment Management Limited are authorised and regulated by the Financial Conduct Authority
 Senator House, 85 Queen Victoria Street
 London
 EC4V 4ET
 Telephone: 0207 489 6000
 Client Service:
 Freephone: 0800 022 3505
 Email: clientservices@ccla.co.uk
www.ccla.co.uk

Administrator

HSBC Securities Services (UK) Limited
 1-2 Lochside Way
 Edinburgh Park
 Edinburgh
 EH12 9DT
Authorised and regulated by the Financial Conduct Authority

Executive Directors of the Manager

M Quicke, OBE (Chief Executive)
 J Bevan (Chief Investment Officer)
 A McMillan (Chief Operating Officer) –
 retired 19 November 2018
 E Sheldon (Chief Operating Officer) –
 appointed 19 November 2018
 FCA approval granted 4 December 2018
 A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager

R Horlick (Chairman)
 C Johnson (from 8 June 2018)
 G Newson (from 29 October 2018)
 R Norris (resigned 17 October 2018)
 T Salmon, OBE (resigned 1 January 2019)
 J Tattersall
 R Williams (resigned 8 June 2018)

Fund Manager

J Bevan

Company Secretary

J Fox

Head of Risk, Internal Audit and Compliance

S Forrest (resigned 31 January 2018)
 R Plumridge (from 31 January 2018)

Head of Ethical and Responsible Investment

J Corah

Third Party Advisors

Custodian, Trustee and Depositary

HSBC Bank plc
 8 Canada Square
 London
 E14 5HQ

Banker

HSBC Bank plc
 60 Queen Victoria Street
 London
 EC4N 4TR

Solicitor

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

Independent Auditor

PricewaterhouseCoopers LLP
 7 More London Riverside
 London
 SE1 2RT

CCLA COIF Charity Funds

The COIF Charity Funds provide a simple and practical way for charities to obtain, at reasonable cost, professional investment and cash management for their long-term and short-term investments.

A choice of Funds

The six COIF Charity Funds aim to meet most of the investment and deposit needs of charities. They all have low levels of minimum investment, pay income gross and are supported by strong customer service.

Investment Fund

- A suitable long-term fund for most charities
- Highly diversified and well-balanced spread of investments
- Designed to deliver rising income and long term capital growth
- Managed to client-driven responsible investment and UK Stewardship Code principles

Ethical Investment Fund

- A suitable long-term fund for most charities
- Highly diversified and well-balanced spread of investments
- Designed to deliver rising income and long-term capital growth
- Managed to client-driven ethical investment and UK Stewardship Code principles

Global Equity Income Fund

- The delivery of a strong total return from investment in high yielding global equities
- Distributing a high and growing level of income
- Managed to client-driven responsible investment and UK Stewardship Code principles

Fixed Interest Fund

- Investment in UK government securities and corporate bonds
- Distributing a high level of income
- Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives

Property Fund

- The delivery of a good level of income and capital growth from investment in a portfolio of UK properties
- A diversified range of office, commercial and industrial properties
- Actively managed to add value

Deposit Fund

- High level of security of capital from a well diversified range of deposits with strong banks
- Rated AA Af/S1 by Fitch Ratings, reflecting the high quality of the portfolio
- Daily liquidity

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

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

ABOUT CCLA

Founded in 1958, CCLA is one of the UK's largest charity fund managers.
Managing investments for charities, religious organisations
and the public sector is all that we do.

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

CCLA

CCLA Fund Managers Limited

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www.ccla.co.uk

CCLA is the trading name for CCLA Investment Management Limited (Registered in England No. 2183088)
and CCLA Fund Managers Limited (Registered in England No. 8735639).

Both companies are authorised and regulated by the Financial Conduct Authority. Registered address: Senator House, 85 Queen Victoria Street, London EC4V 4ET.
Printed on 100% post consumer waste and is certified by the Forest Stewardship Council (FSC).