

THE CBF CHURCH OF ENGLAND INVESTMENT 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 TRUSTEE**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 CBF Church of England Investment Fund (the Fund), which includes a separate report from CCLA Investment Management Limited (the Manager) as Manager of the Fund.

Structure and management of the Fund

The Fund is a Common Fund established under The Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000 and the Trustee Act 2000 (together the Measure). The Fund was formed in 1958. The Fund is not a Collective Investment Scheme nor an Unregulated Collective Scheme within the meaning of the Financial Services and Markets Act 2000 (FSMA).

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

CBFFT has delegated to the Manager, which is authorised and regulated by the Financial Conduct Authority (FCA), the investment management, administration, registrar, secretarial and company secretarial functions of the Fund under Management Agreements dated September 2008.

Under the provisions of the FSMA, CBFFT is not considered to be operating the Fund by way of business. In consequence, it is not required to be authorised and regulated by the FCA and the trustee directors of CBFFT are not required to be authorised by the FCA for this purpose. Investments in the Fund are not covered by the Financial Services Compensation Scheme.

The Manager will pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund.

Charitable status of the Fund

The Fund is entitled to charitable status by virtue of section 96(2) of the Charities Act 2011. In the administration of the Fund, CBFFT is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

REPORT OF THE TRUSTEE

for the year ended 31 December 2018

Investment objective and benchmark

The Fund aims to provide a long-term total return comprising growth in capital and income.

The objective is to provide a long-term total return of 5% per annum before expenses, but net of inflation as measured by the increase in the Consumer Prices Index. Within this total return, the Fund aims to deliver a consistent annual distribution to investors. The Fund aims to deliver these returns within a level of risk as measured by volatility which is no greater than 75% of the volatility of the UK equity market.

Investment policy

The portfolio is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation. It will have an emphasis on equities, but will also include property, bonds and other asset classes.

Suitability

The Fund is suitable for all of a Church of England charity's long-term funds where the charity is looking for a good level of distributions and long-term protection from inflation.

Distribution policy

From 1 January 2017, the Fund has the capacity to make distributions from capital, but at least three quarters of the distribution made will be sourced from the income earned on investments.

Responsibilities of the Trustee

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

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

Delegation of functions

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

REPORT OF THE TRUSTEE

for the year ended 31 December 2018

Ethical investment

The Fund is managed in accordance with the policies of the Church of England's Ethical Investment Advisory Group (EIAG).

Throughout the year, CBFFT was represented on the EIAG by Rev Canon Edward Carter, a CBFFT Trustee Director.

The EIAG advises the Church's three National Investing Bodies (the Church Commissioners and Church of England Pensions Board being the other two) on ethical investment issues. Responsibility for accepting EIAG recommendations rests with the CBFFT.

The EIAG produces its own Annual Review which is available at <https://churchofengland.org/about-us/structure/eiag.aspx>.

Two representatives of the Manager also attend EIAG meetings: Michael Quicke, CCLA Chief Executive, and James Corah, Head of Ethical and Responsible Investment.

CCLA collaborates with the other Church National Investing Bodies to engage with investee companies on issues of particular concern to the Church.

Responsible investment and stewardship

The Fund also implements CCLA's responsible investment policy, which we believe will improve long-term shareholder returns. This includes policies to integrate environmental,

social and governance (ESG) factors into our investment decision making process and stewardship activities with Fund holdings. The Manager's response to the UK Stewardship Code and their full quarterly voting record is available at www.ccla.co.uk.

The Manager is a signatory to the UN Principles of Responsible Investment (PRI) and is a member of CDP (formerly the Carbon Disclosure Project), the Institutional Investors group on Climate Change (IIGCC) and UK Sustainable Investment and Finance (UKSIF).

Controls and risk management

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

CBFFT has appointed HSBC Bank plc to monitor the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. This monitoring provides an additional layer of comfort for shareholders. The Manager has established an internal control framework to provide reasonable, but not absolute, assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the directors and senior management of the Manager on a continuing basis.

REPORT OF THE TRUSTEE
for the year ended 31 December 2018

CBFFT receives internal audit reports on the controls of the Manager. During the year CBFFT, assisted by the Manager, reviewed the Fund's systems of internal control. At each of its meetings, the Audit Committee receives and reviews a formal risk management report from the Manager. This sets out the main risks facing the Fund, the controls in place to mitigate those risks and the assessment of each risk, in terms of both gross and residual exposure after the application of mitigating controls.

A Brookes, Chair
CBF Funds Trustee Limited
3 June 2019

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2018

Performance

Over the year the Fund achieved a return before expenses of 2.42%. This compares with a return on the comparator of -3.50%. Relative performance was supported by the asset allocation of the portfolio and by stock selection. The total return on an Income share, after all costs and charges was 1.81%. The Accumulation shares on the same basis, gave a return of 1.83%.

Economic and Market Review

The world economy grew over the year but at a moderating pace and one below that achieved in

2017. Activity remained robust in the United States, buoyed by tax cuts and increased government spending. It slowed, however, in Europe and in Japan it was restricted by an earthquake and a severe storm season. Output growth also slowed in China, a development which had important regional implications. Inflation remained at modest levels, easing in the final months to reflect weakness in the oil price. Partly as a consequence of the lack of upward pressure on prices, interest rates remained low, with an established uptrend only evident in the US.

Annualised total capital and income return

To 31 December 2018	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (before expenses)			
The CBF Church of England Investment Fund	2.42	9.51	10.56
Comparator [#]	-3.50	6.31	9.23
MSCI UK Investable Market Index	-9.70	3.82	8.91
MSCI World ex UK	-2.16	11.40	12.05
iBoxx £ Gilts	0.60	5.48	4.84
MSCI UK Monthly Property	7.45	10.78	9.13
CPI	2.10	1.46	2.28
Performance after expenses			
Income shares [*]	1.81	8.86	10.00
Accumulation shares [*]	1.83	8.88	10.03

[#] Comparator – composite: from 01.01.18 MSCI UK IMI 30%, MSCI World ex UK 45%, MSCI UK Monthly Property 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.17 MSCI UK IMI 45%, MSCI Europe Ex UK 10%, MSCI North America 10%, MSCI Pacific 10%, AREF/IPD™ All Properties 5%, iBoxx £ Gilt 15% & 7 Day LIBID 5%. To 31.12.15 MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD™ All Properties 5%, BarCap Gilt 15% & 7 Day LIBID 5% and to 31.12.11 FTSE All-Share 60%, FTSE All-World Developed Ex UK 20%, IPD™ All Properties 10% and FTSE UK Government All Stocks 10%.

^{*} Mid to mid plus income re-invested.

Source: CCLA.

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

Investment markets gave mixed returns over the year. Equities were the weakest performers. The major indices fell in February, consolidated over the summer and then lost ground again towards the end of the year. Investors became concerned about the strength of the economic uptrend and in particular the risk of a recession triggered by increases in US borrowing costs and US-Chinese trade friction. Of the major regional markets, the UK was the weakest, with a total return of -9.70%, but it was closely followed by Europe, -9.19%, Asia, -8.51% and Japan, -7.58%. In contrast to this broad pattern of weakness, the US performed positively, up 0.60% over the year although currency factors made an important contribution to the return. At the individual country index level, in Europe only Finland was positive, with a gain over the year of 3.41%. In contrast, 8 markets were down by more than 10%, with Greece, -29.81%, the weakest. The picture was similar in Asia; New Zealand and Thailand made progress, the rest fell, with Pakistan, -26.09% the worst of the group. In contrast to the volatility and weakness in the equity sector, commercial property returns were stable; capital values rose for each of the first 10 months of the year before easing in November

and December due to a weak performance by the retail sub-sector. Fixed interest asset prices were little changed over the year, a late sector rally pushed total returns for UK government bonds just positive. In currency markets sterling fell; against the US dollar by -5.62%, by -1.60% against the Euro and by -8.12% relative to the Yen.

Strategy

The investment objective of the Fund is to provide a long-term total return comprising growth in capital and income. To achieve these ends the Fund has exposure to a broad range of investments but is biased towards real assets such as global equities, domestic commercial property and infrastructure. There is currently only a modest exposure to fixed interest investments. In the second half of the year strategy was adjusted to reflect a more cautious view of potential returns. A shift to a more defensive stance resulted in profit taking on holdings in companies which had moved on to elevated valuations, reducing the exposure to cyclical investments and raising the cash allocation.

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

Outlook

We expect global growth to continue in 2019 but not at the pace experienced in the previous year; the boost to US activity from tax cuts will fade and there are factors which will act to keep growth in Europe and Japan relatively muted. A less robust rate of expansion will reduce the pressure on the authorities to normalise monetary policy, one effect of this will be a slower pace of rate increase in the US and probably no change in borrowing costs in Europe. An important positive is that recent measures by the Chinese government to support growth will bolster activity, particularly in the second half of the year.

Economic growth, albeit modest, however, should support equity valuations. Volatility however is expected to remain at elevated levels. Returns in the property sector are expected to be dominated by the contribution from income, capital returns will be held back by the retail sub-sector where prospects look poor. Short term uncertainty may act to support fixed income asset prices but we view the available yields as poor long-term value.

J Bevan
Chief Investment Officer
CCLA Investment Management Limited
3 June 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:	
US Treasury 0.5% 2028	27,402	Apple	15,062
US Treasury 2.5% 2020	13,669	Facebook	12,024
NASDAQ OMX Group	12,588	Sartorius Stedim Biotech	11,283
McDonald's	12,221	Ferguson	9,794
Activision Blizzard	11,970	Samsonite International	9,390
The CBF Church of England Property Fund	11,219	Montreux Healthcare Fund D1	9,045
Adobe	9,910	Danske Bank	8,176
Nomura Research Institute	9,328	Koito Manufacturing	8,126
Beiersdorf	9,285	Home Depot	8,114
Sonic Healthcare	9,119	KDDI	7,761

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 shares 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's shares 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.

This Fund may invest in emerging market countries which could be subject to political and economic change.

The Fund may invest in collective investment schemes and other assets which may be illiquid. These include limited partnerships and other unquoted investments where valuations are open to substantial subjectivity. The Fund may also invest in The CBF Church of England Property Fund, which invests directly in property and property related assets which are valued by an independent valuer and as such are open to substantial subjectivity. The performance of this Fund may be adversely affected by a downturn in the property market which could impact on the capital and/or income value of this Fund.

STATEMENT OF ETHICAL INVESTMENT POLICY

to the shareholders of The CBF Church of England Investment Fund

The Ethical Investment Policy embraces stewardship, engagement and investment exclusions.

Stewardship

The Church of England National Investing Bodies (NIBs) operate within the legal framework for investment by charities and pension funds. They owe certain fiduciary and other duties to their beneficiaries. Christian stewardship provides the context within which and informs the manner in which these duties are performed. The NIBs are signatories to the UK Stewardship Code which encourages institutional investors to act as good stewards of their equity investments through active ownership (monitoring, engagement and voting). The NIBs are signatories to the PRI under which institutional investors pledge to incorporate ESG issues into investment analysis and decision-making processes, and to be active owners, across all asset classes. The NIBs recognise climate change as a distinct ethical investment issue and invest in line with a climate change policy.

Engagement

The NIBs expect companies in which they invest to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice. The NIBs engage with investee companies to seek improvement in ethical standards in these areas.

There are specific policies on Executive Remuneration and Business and Engagement. From time to time, policies, papers and reports are also published to inform engagement on individual environmental and social issues.

Investment exclusions

The NIBs do not wish directly to profit from, or provide capital to, activities that are materially inconsistent with Christian values, and are also mindful of the danger of undermining the credibility, effectiveness and unity of the Church's witness were they to do so. A range of investment exclusions is therefore maintained. The EIAG may, exceptionally, recommend exclusion from investment of any individual company in any line of business on ethical grounds – normally if, after sustained dialogue, the company does not respond positively to EIAG concerns about its practices. In such cases the NIBs will determine individually whether to disinvest if they hold securities issued by the company. The EIAG and NIBs expect a recognition of responsibility and a resolve to improve, rather than perfection.

STATEMENT OF ETHICAL INVESTMENT POLICY

to the shareholders of The CBF Church of England Investment Fund

Direct investments in equities and corporate debt: The NIBs do not invest in any company involved in indiscriminate weaponry. Moreover they do not invest in companies involved in conventional weapons if their strategic military supplies exceed 10% of turnover. The NIBs do not invest in any company that derives more than 3% of revenues from the production or distribution of pornography or in any company, a major part of whose business activity or focus (defined as more than 10% of group revenues) is tobacco, gambling, non-military firearms, or high interest rate lending. A policy on alcohol is implemented by the NIBs under which companies deriving more than 5% of their revenues from alcoholic drinks are only eligible for investment if they meet EIAG standards for responsible marketing and retailing. The climate change policy (2015) does not allow investments in companies that derive more than 10% of revenue from tar sands or thermal coal.

Individual policy documents are published separately – or are under development – setting out the criteria employed in each area to determine whether companies breach the Church’s policy and to explain the theology, ethics and reasoning underlying the policies.

Direct investments in property: The NIBs apply the same exclusions to direct property investments as are used for equities and corporate debt investments.

Indirect investments via pooled funds: The NIBs are only able to invest in some assets, asset classes and investment strategies through pooled funds. Pooled funds are funds in which a number of different investors invest. Because the ethical investment policies of the EIAG and NIBs cannot be applied fully, or at all, in these investments. The Pooled Funds Policy gives detailed guidance on how the NIBs should ensure that their use of pooled funds is consistent with ethical investment.

The National Investing Bodies develop ethical investment policy based upon the advice of the Church’s Ethical Investment Advisory Group (EIAG). The EIAG was established in 1994 and includes representation from The Church Commissioners, The CBF Church of England Funds, the Church of

England Pensions Board and up to seven independent members who are appointed by a dedicated Nominations Committee. It is currently Chaired by the Right Reverend David Walker, The Bishop of Manchester. More information about the EIAG is available at <https://www.churchofengland.org/eiag>

INDEPENDENT AUDITOR'S REPORT

to the shareholders of The CBF Church of England Investment Fund

Report on the audit of the financial statements*Opinion*

In our opinion, The CBF Church of England Investment Fund's financial statements (the "financial statements"):

- give a true and fair view of the financial position of the Fund as at 31 December 2018 and of the net revenue and the net capital gains of its scheme property for the year then ended; and
- 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), the Statement of Recommended Practice for UK Authorised Funds, and the Trust Deed.
- have been prepared in accordance with the requirements of the Church Funds Investment Measure 1958, as amended, and the Trustee Act 2000.

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

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 Fund 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 Authorised Fund Managers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund'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 shareholders of The CBF Church of England Investment Fund**

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund'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 fund'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 Authorised Fund Manager 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, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

*Responsibilities for the financial statements and the audit**Responsibilities of the Authorised Fund Manager for the financial statements*

The Authorised Fund 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 Authorised Fund 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.

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

INDEPENDENT AUDITOR'S REPORT

to the shareholders of The CBF Church of England Investment Fund

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 opinion, has been prepared for and only for the unitholders of the Fund as a body in accordance with the Trust Deed and for no other purpose. We do not, in giving this opinion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London
Riverside
London
3 June 2019

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 Information document available on CCLA's website or by request.

COMPARATIVE TABLE

Change in net assets per share

	Year to 31.12.2018 pence per share	Income shares	
		Year to 31.12.2017 pence per share	Year to 31.12.2016 pence per share
Opening net asset value per share	1,636.85	1,501.65	1,350.12
Return before operating charges*	41.62	199.95	213.82
Operating charges	(11.48)	(10.94)	(9.54)
Return after operating charges*	30.14	189.01	204.28
Distributions on Income shares	(54.89)	(53.81)	(52.75)
Closing net asset value per share	1,612.10	1,636.85	1,501.65
* after direct transaction costs of:	0.41	0.78	0.63

Performance

Return after charges	1.84%	12.59%	15.13%
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Other information

Closing net asset value (£'000)	1,275,794	1,251,477	1,095,879
Closing number of shares	79,138,540	76,456,235	72,978,458
Operating charges**	0.69%	0.69%	0.68%
Direct transaction costs	0.02%	0.05%	0.04%

Prices (pence per share)

Highest share price (offer)	1,771.32	1,664.60	1,528.36
Lowest share price (bid)	1,557.78	1,489.91	1,250.04

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 share

	Accumulation shares		
	Year to 31.12.2018 pence per share	Year to 31.12.2017 pence per share	Year to 31.12.2016 pence per share
Opening net asset value per share	3,613.65	3,205.02	2,776.19
Return before operating charges*	91.28	432.33	448.86
Operating charges	(25.68)	(23.70)	(20.03)
Return after operating charges*	65.60	408.63	428.83
Distributions on Accumulation shares	(104.96)	(106.11)	(107.31)
Retained distributions on Accumulation shares	104.96	106.11	107.31
Closing net asset value per share	3,679.25	3,613.65	3,205.02
* after direct transaction costs of:	0.92	1.70	1.31

Performance

Return after charges	1.82%	12.75%	15.45%
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Other information

Closing net asset value (£'000)	71,621	72,815	55,489
Closing number of shares	1,946,633	2,015,017	1,731,321
Operating charges**	0.69%	0.69%	0.68%
Direct transaction costs	0.02%	0.05%	0.04%

Prices (pence per share)

Highest share price (offer)	3,980.48	3,647.18	3,236.48
Lowest share price (bid)	3,439.06	3,179.97	2,570.41

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

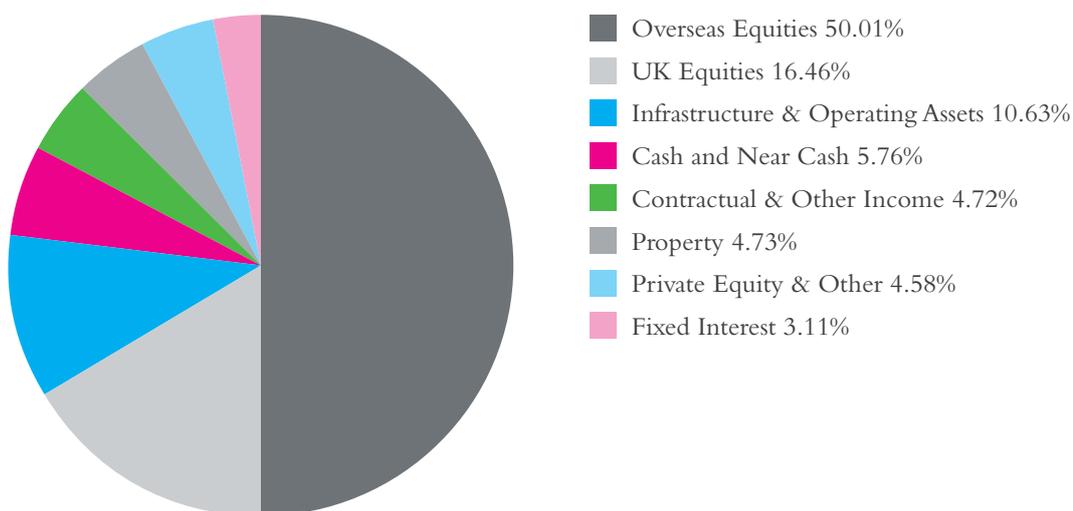
The table below analyses expenses in Note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2018 %	31.12.2017 %
Manager's periodic charge including VAT	0.66	0.66
Manager's fee for ethical services	0.01	0.01
Safe custody fees and depositary fee	0.01	0.01
Other expenses	0.01	0.01
Total operating charges	0.69	0.69

PORTFOLIO ANALYSIS

at 31 December 2018

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	32.08%
Developed Europe	10.30%
Asia Pacific ex-Japan	4.95%
Japan	2.68%
	50.01%

Breakdown of Equities by Sector

Materials	10.05%
Industrials	9.63%
Energy	9.51%
Real Estate	8.69%
Information Technology	6.83%
Consumer Staples	6.19%
Funds	5.56%
Consumer Discretionary	3.93%
Communication Services	3.72%
Financials	1.53%
Utilities	0.83%
	66.47%

The portfolio analyses above differ from the portfolio statement because: prices used here are mid-market, rather than bid; and allocations are adjusted on a 'look through' basis in respect of cross holdings in other CCLA funds (i.e. such funds are shown in a single category in the portfolio statement, but are analysed by their underlying holdings on this page).

PORTFOLIO STATEMENT
at 31 December 2018

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM EQUITIES 16.30%			
(31.12.2017, 19.41%)			
Consumer Discretionary 1.13% (31.12.2017, 0.70%)			
Compass Group	441,099	7,256	0.54
InterContinental Hotels Group	188,978	7,998	0.59
Consumer Staples 2.58% (31.12.2017, 2.89%)			
Reckitt Benckiser	233,606	14,042	1.04
Unilever	503,855	20,701	1.54
Energy 0.65% (31.12.2017, 0.96%)			
Royal Dutch Shell A	381,320	8,797	0.65
Royal Dutch Shell B	505	12	–
Financials 1.98% (31.12.2017, 2.33%)			
HSBC	647,569	4,188	0.31
London Stock Exchange	270,643	10,988	0.82
Prudential	819,962	11,496	0.85
Health Care 0.36% (31.12.2017, 0.42%)			
Abcam	121,343	1,323	0.10
Genus	162,534	3,478	0.26
Industrials 2.30% (31.12.2017, 3.12%)			
Experian	461,699	8,793	0.65
Intertek Group	104,453	5,014	0.37
RELX	773,682	12,507	0.93
Spirax Sarco Engineering	75,095	4,675	0.35
Materials 1.51% (31.12.2017, 1.94%)			
Croda International	174,338	8,168	0.61
DS Smith	2,279,230	6,815	0.50
Rio Tinto	145,349	5,421	0.40

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Pooled Funds 3.46% (31.12.2017, 3.82%)			
The CBF Church of England UK Equity Fund Income Units*	29,537,477	46,640	3.46
Telecommunication Services 0.00% (31.12.2017, 0.33%)			
Utilities 0.00% (31.12.2017, 0.51%)			
Real Estate 2.33% (31.12.2017, 2.39%)			
Civitas Social Housing	5,974,195	6,363	0.47
Empiric Student Property	8,501,685	7,856	0.58
Primary Health Properties REIT	7,717,239	8,551	0.64
Tritax Big Box REIT	6,509,599	8,547	0.64
OVERSEAS EQUITIES 50.75% (31.12.2017, 54.44%)			
DEVELOPED EUROPE 9.49% (31.12.2017, 11.66%)			
Consumer Discretionary 1.32% (31.12.2017, 1.52%)			
Adidas	50,174	8,219	0.61
LVMH Moët Hennessy Louis Vuitton	41,304	9,572	0.71
Consumer Staples 2.99% (31.12.2017, 1.97%)			
Beiersdorf	116,598	9,557	0.71
L'Oreal	54,060	9,748	0.73
Nestlé	329,172	20,917	1.55
Energy 0.32% (31.12.2017, 0.00%)			
Total	104,836	4,345	0.32
Financials 0.52% (31.12.2017, 2.40%)			
Deutsche Boerse	74,864	7,025	0.52
Health Care 2.04% (31.12.2017, 2.45%)			
DiaSorin	87,481	5,551	0.41
Fresenius	167,730	6,370	0.47
Novartis	133,189	8,913	0.66
Roche	34,348	6,658	0.50

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Industrials 0.83% (31.12.2017, 1.84%)			
Assa Abloy	481,403	6,721	0.50
Epiroc A	607,437	4,478	0.33
Information Technology 0.79% (31.12.2017, 0.76%)			
SAP	134,913	10,561	0.79
Materials 0.68% (31.12.2017, 0.72%)			
Chr. Hansen	62,947	4,353	0.32
Sika	48,214	4,781	0.36
NORTH AMERICA 29.07% (31.12.2017, 29.84%)			
Communication Services 2.04% (31.12.2017, 1.16%)			
Activision Blizzard	226,213	8,277	0.61
Alphabet	16,051	13,069	0.97
Walt Disney	72,440	6,237	0.46
Consumer Discretionary 2.89% (31.12.2017, 2.42%)			
Amazon	7,741	9,137	0.68
Booking Holdings	8,437	11,413	0.85
McDonald's	102,806	14,333	1.06
Starbucks	78,952	3,993	0.30
Consumer Staples 1.57% (31.12.2017, 2.33%)			
Coca Cola	233,667	8,684	0.65
Colgate-Palmolive	133,855	6,256	0.46
Pepsico	70,764	6,137	0.46
Energy 0.32% (31.12.2017, 0.50%)			
Chevron	50,281	4,296	0.32

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Financials 5.81% (31.12.2017, 6.49%)			
Bank of America	558,396	10,812	0.80
Blackstone	246,340	5,764	0.43
Chicago Mercantile Exchange	77,985	11,518	0.85
Citigroup	206,686	8,445	0.63
JP Morgan Chase	134,580	10,326	0.77
NASDAQ OMX Group	189,273	12,118	0.90
S&P Global	81,414	10,863	0.80
Schwab (Charles)	258,843	8,442	0.63
Health Care 5.59% (31.12.2017, 5.70%)			
Medtronic	144,792	10,342	0.77
Pfizer	294,780	10,101	0.75
Stryker	92,550	11,391	0.85
Thermo Fisher Scientific	104,658	18,385	1.36
UnitedHealth Group	82,152	16,072	1.19
Zoetis	134,760	9,050	0.67
Industrials 1.87% (31.12.2017, 1.97%)			
3M Company	52,986	7,925	0.59
Canadian Pacific Railway	58,625	8,145	0.60
Danaher	55,803	4,517	0.34
Rockwell Automation	38,715	4,574	0.34
Information Technology 6.52% (31.12.2017, 7.16%)			
Accenture	69,517	7,696	0.57
Adobe	55,447	9,855	0.73
Fidelity National Information Services	158,950	12,791	0.95
IPG Photonics	17,416	1,549	0.11
Mastercard	83,077	12,305	0.91
Microsoft	144,686	11,549	0.86
PayPal	149,887	9,903	0.73
SS&C Technologies	208,460	7,382	0.55
Texas Instruments	53,851	3,996	0.30
Visa A	105,430	10,925	0.81

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Materials 0.66% (31.12.2017, 0.63%)			
Ecolab	76,236	8,820	0.66
Real Estate 1.11% (31.12.2017, 1.16%)			
Alexandria Real Estate Equities	78,362	7,091	0.53
Prologis	169,738	7,827	0.58
Utilities 0.69% (31.12.2017, 0.32%)			
Duke Energy	137,950	9,345	0.69
OTHER AMERICAS 0.00% (31.12.2017, 0.04%)			
Funds 0.00% (31.12.2017, 0.04%)			
JAPAN 2.40% (31.12.2017, 3.49%)			
Consumer Discretionary 0.00% (31.12.2017, 0.68%)			
Consumer Staples 0.69% (31.12.2017, 0.60%)			
Kao	159,800	9,311	0.69
Industrials 0.71% (31.12.2017, 0.79%)			
FANUC	30,700	3,652	0.27
Recruit Holdings	309,300	5,888	0.44
Information Technology 1.00% (31.12.2017, 0.82%)			
Keyence	14,100	5,617	0.42
Nomura Research Institute	271,600	7,901	0.58
Telecommunication Services 0.00% (31.12.2017, 0.60%)			
ASIA PACIFIC EX JAPAN 4.56% (31.12.2017, 3.97%)			
Communication Services 1.46% (31.12.2017, 0.76%)			
HKT Trust and HKT Ltd	7,642,000	8,630	0.64
Tencent Holdings	350,300	11,024	0.82
Tencent Holdings – Rights Issue	89	–	–

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
Consumer Discretionary 0.00% (31.12.2017, 0.83%)			
Consumer Staples 0.61% (31.12.2017, 0.18%)			
LG Household & Healthcare	10,644	8,239	0.61
Financials 1.21% (31.12.2017, 1.18%)			
AIA	2,489,400	16,227	1.21
Health Care 0.62% (31.12.2017, 0.00%)			
Sonic Healthcare	691,155	8,405	0.62
Information Technology 0.66% (31.12.2017, 1.02%)			
Taiwan Semiconductor Manufacturing Company	308,960	8,949	0.66
MULTI GEOGRAPHY 5.23% (31.12.2017, 5.44%)			
Pooled Funds 5.23% (31.12.2017, 5.44%)			
The CBF Church of England Global Equity Fund Income Units*	39,259,989	70,500	5.23
PRIVATE EQUITY & OTHER 4.58%			
(31.12.2017, 4.53%)			
CCLA Shares 2.90% (31.12.2017, 2.10%)			
CCLA Investment Management Ordinary Shares**	130,000	37,700	2.80
CCLA Investment Management P Ordinary Shares**	1,417,000	1,417	0.10
Other 0.21% (31.12.2017, 0.75%)			
Triodos Microfinance Fund	124,875	2,812	0.21
Private Equity 1.47% (31.12.2017, 1.68%)			
Blackstone Capital Partners Asia**	1	562	0.04
BMO Private Equity	2,538,746	8,022	0.60
Princess Private Equity	1,485,039	11,197	0.83

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
INFRASTRUCTURE & OPERATING ASSETS 10.46% (31.12.2017, 9.64%)			
Energy Resources & Environment 3.08% (31.12.2017, 2.35%)			
Bluefield Solar Income Fund	5,278,936	6,467	0.48
Foresight Solar Fund	6,368,247	6,846	0.51
Greencoat UK Wind	7,928,393	9,958	0.74
Gresham House Energy Storage Fund	3,936,295	4,015	0.30
SDCL Energy Efficiency Income Trust	5,828,441	5,799	0.43
The Forest Company**	624,524	2,207	0.16
The Renewables Infrastructure Group	5,411,829	6,115	0.46
UK Energy Efficiency Investment IA**	1	19	–
General 3.53% (31.12.2017, 3.40%)			
Infracapital Partners III**	1	868	0.06
RREEF Pan-European Infrastructure Fund**	1	44,109	3.28
Strategic Partners Offshore Real Assets Infrastructure II**	1	2,576	0.19
Social 3.85% (31.12.2017, 3.89%)			
European Student Housing II**	1	1,043	0.08
GCP Student Living	7,129,571	10,580	0.78
Impact Healthcare REIT	2,220,108	2,265	0.17
MedicX Fund	11,980,878	8,866	0.66
Montreux Healthcare Fund D1**	3,562	7,071	0.52
Target Healthcare REIT	4,045,034	4,308	0.32
The Montreux Care Home Fund**	6,479	4,565	0.34
Triple Point Social Housing REIT	13,375,591	13,162	0.98
PROPERTY 4.66% (31.12.2017, 3.54%)			
Aberdeen Standard European Logistics Income	3,300,000	3,350	0.25
Nazeing Park Farm**	1	2,630	0.19
The CBF Church of England Property Fund			
Income Units*	38,470,871	52,967	3.93
Tritax EuroBox plc	4,298,127	3,954	0.29

PORTFOLIO STATEMENT

at 31 December 2018

	Holding	Fair value £'000	% of total net assets
CONTRACTUAL & OTHER INCOME 4.68%			
(31.12.2017, 4.33%)			
Alcentra European Floating Rate Income Fund	5,218,736	5,187	0.39
Blackstone Mortgage Trust	103,080	2,576	0.19
Blackstone/GSO Loan Financing	5,118,596	3,469	0.26
Chenavari Capital	1,751,560	1,340	0.10
DP Aircraft	8,263,529	6,618	0.49
Duet Real Estate Finance***	3,026,355	2	–
GCP Asset Backed Income Fund	9,815,451	10,208	0.76
GCP Infrastructure Investments	1,664,960	2,108	0.16
Hadrains Wall Secured Investment	3,335,944	3,152	0.23
Hipgnosis Songs Fund	6,871,223	7,318	0.54
KKR Global Infrastructure Investements III**	1	1,073	0.08
KKR Mezzanine Partners I**	1	4,239	0.31
KKR Private Credit Opportunities Partners II**	1	1,839	0.14
Nimrod Sea Assets***	6,230,172	145	0.01
RM Secured Direct Lending	5,422,289	5,422	0.40
Sequoia Economic Infrastructure Income Fund	2,592,426	2,942	0.22
SQN Asset Finance Income Fund	4,763,972	4,592	0.34
SQN Asset Finance Income Fund C Shares	901,906	803	0.06
FIXED INTEREST 3.11% (31.12.2017, 0.00%)			
Non-Gilts 3.11% (31.12.2017, 0.00%)			
US Treasury 2.5% 2020	17,905,600	14,048	1.04
US Treasury 0.5% 2028	36,286,700	27,874	2.07

PORTFOLIO STATEMENT

at 31 December 2018

Holding	Fair value £'000	% of total net assets
FORWARD CURRENCY CONTRACTS – (0.55)%		
(31.12.2017, 0.00%)		
Buy GBP 69,377,945 & Sell EUR 79,319,902	(2,008)	(0.15)
Buy GBP 122,739,041 & Sell USD 161,814,856	(4,082)	(0.31)
Buy GBP 123,176,917 & Sell USD 161,499,719	(3,397)	(0.25)
Buy EUR 79,319,902 & Sell GBP 70,642,305	743	0.06
Buy USD 166,030,920 & Sell GBP 129,589,154	536	0.04
Buy USD 157,283,655 & Sell GBP 122,422,120	848	0.06
INVESTMENT ASSETS	1,266,442	93.99
NET OTHER ASSETS	80,973	6.01
TOTAL NET ASSETS	1,347,415	100.00

* The CBF Church of England UK Equity Fund, The CBF Church of England Global Equity Income Fund and The CBF Church of England Property Fund are managed by the Manager and represent related party transactions.

** Unquoted investments.

*** Suspended quoted securities.

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 (losses)/gains	2		(6,472)		118,256
Revenue	3	39,387		39,989	
Expenses	4	(9,404)		(8,664)	
Interest payable and similar charges		(2)		(2)	
Net revenue before taxation		29,981		31,323	
Taxation	5	(465)		(874)	
Net revenue after taxation			29,516		30,449
Total return before distributions			23,044		148,705
Distributions	6		(44,626)		(42,431)
Change in net assets attributable to shareholders from investment activities			(21,582)		106,274

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
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 shareholders		1,324,292		1,151,368
Amounts receivable on issue of shares	66,578		81,653	
Amounts payable on cancellation of shares	(27,950)		(23,751)	
In specie transactions	3,990		6,684	
		42,618		64,586
Change in net assets attributable to shareholders from investment activities		(21,582)		106,274
Retained distributions on Accumulation shares		2,087		2,064
Closing net assets attributable to shareholders		1,347,415		1,324,292

The notes on pages 32 to 49 and distribution tables on page 50 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			1,275,929		1,269,805
Current assets:					
Debtors	7	2,850		3,049	
Cash equivalents	8	78,980		53,473	
Cash and bank balances	8	10,284		8,525	
Total current assets			92,114		65,047
Total assets			1,368,043		1,334,852
LIABILITIES					
Investment liabilities			9,487		–
Creditors:					
Other creditors	9	814		996	
Distribution payable on Income shares		10,327		9,564	
Total creditors			11,141		10,560
Total liabilities			20,628		10,560
Net assets attributable to shareholders			1,347,415		1,324,292

The financial statements on pages 30 to 50 have been approved by the Trustee.

Approved on behalf of the Trustee
3 June 2019

A Brookes, Chair
CBF Funds Trustee Limited

The notes on pages 32 to 49 and distribution tables on page 50 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) and the Trust Deed 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, and distributions received on collective investment schemes are credited to revenue on the dates when the investments are first quoted ex-dividend or otherwise on receipt of cash. Interest on Government stocks, debentures, convertible loan stocks, other fixed interest stocks, bank deposits and interest on deposits in The CBF Church of England Deposit Fund and direct property income are accrued on a daily basis.

Revenue on debt securities is recognised on the effective yield basis which takes into account the amortisation of any discounts or premiums arising on the purchase price, compared to the final maturity value, over the remaining life of the security. Accrued interest purchased or sold is excluded from the cost of the security and is recognised as revenue of the Fund.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. Accounting policies (continued)

(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.

(e) Expenses

The Manager's periodic charge and fees for ethical and stewardship services, paid to the Manager, are charged to the capital of the Fund. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.55% p.a. plus VAT. The Fund receives a management fee rebate credited to the revenue of the Fund on the Fund's deposits in The CBF Church of England Deposit Fund where the management fees are charged to revenue. The Fund also receives a management fee rebate credited to the capital of the Fund for its holding in The CBF Church of England Property Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Global Equity Income Fund where, in all Funds, management fees are charged to capital. 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.

Audit, legal, safe custody fees and transaction charges, insurance, direct property expenses and monitoring fee are charged separately to the revenue of the Fund before distribution. The Trustee's administration fee is charged to the revenue of the Fund.

(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 the net revenue in determining the distributions.

It is the Fund's policy to calculate the distribution based on the revenue on debt securities which is computed on a coupon basis. A reconciliation of the net distribution to the net income of the Fund as reported in the statement of total return is shown in note 6.

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

1. Accounting policies (continued)

(f) Distributions (continued)

From 1 January 2017, distributions can also be supported by the Fund's capital. On an annual basis, at least 75% of the distribution must come from income.

(g) Basis of valuation

Quoted investments are valued at bid-market values at the close of business on the last business day of the accounting period. Any unlisted or de-listed, unquoted or suspended investments are stated at valuation by the Manager and reviewed by the Trustee. The Manager's valuation is based upon valuations supplied by the manager of the underlying investments. The Manager satisfies itself that these valuations can be relied on by valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity. The estimates and assumptions underlying the valuations are kept under review by the Manager and judgements are reviewed, considering all factors affecting the investments.

For unquoted investments, the latest valuation point may be prior to the year end, but the Manager is satisfied that the resultant portfolio valuation would not be materially different from a valuation carried out as at the year end.

Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years.

Agricultural property is valued yearly by the Manager on the basis of open market value as advised by independent chartered surveyors.

(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 (losses)/gains

	Year ended 31.12.2018 £'000	Year ended 31.12.2017 £'000
The net capital gains during the year comprise:		
Unrealised (losses)/gains on non-derivative securities*	(61,482)	67,221
Realised gains on non-derivative securities*	61,036	48,192
Manager's periodic charge rebate – see note 1(e)**	1,309	1,258
Currency gains	17	451
Unrealised losses on forward currency contracts*	(7,360)	–
Realised gains on forward currency contracts*	8	1,134
	(6,472)	118,256

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

** This amount includes the rebates credited to the capital of the Fund for its holding in The CBF Church of England Property Fund, The CBF Church of England UK Equity Fund and The CBF Church of England Global Equity Income Fund where, in all Funds, management fees are charged to capital.

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

3. Revenue

	Year ended 31.12.2018 £'000	Year ended 31.12.2017 £'000
Overseas dividends	19,222	18,748
UK dividends	6,482	9,217
Franked dividend distributions	7,265	7,063
Franked dividends on unquoted stocks	3,430	3,120
Property income distributions	2,034	1,123
Interest on debt securities	666	522
Interest on The CBF Church of England Deposit Fund	194	100
Manager's periodic charge rebate*	80	88
Bank interest	13	8
Other income	1	–
	39,387	39,989

* This amount represents the rebate of management fees credited to the Fund's revenue for the Fund's deposit in The CBF Church of England Deposit Fund where the management fees are charged to revenue.

4. Expenses

	Year ended 31.12.2018 £'000	Year ended 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)	9,019	8,301
Manager's fee for ethical services	103	103
	9,122	8,404
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Monitoring fee	74	70
Safe custody fees	67	59
	141	129

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

4. Expenses (*continued*)

	Year ended 31.12.2018 £'000	Year ended 31.12.2017 £'000
Other expenses:		
Audit fee	12	12
Insurance fee	6	8
Other fees	123	111
	141	131
Total expenses	9,404	8,664

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

The above expenses include VAT where applicable.

5. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to shareholders on the basis that all recoverable UK taxation has been reclaimed.

Overseas withholding tax is deducted in full from overseas revenue. Recoverable withholding tax is credited to revenue, on receipt.

	Year ended 31.12.2018 £'000	Year ended 31.12.2017 £'000
Overseas taxation suffered in the year	805	908
Overseas recoverable withholding tax windfall in the year	(340)	(34)
Total taxation	465	874

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

6. Distributions

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

	Year ended 31.12.2018 £'000	Year ended 31.12.2017 £'000
31 March – interim distribution	11,574	10,240
30 June – interim distribution	11,717	12,448
30 September – interim distribution	10,562	9,934
31 December – final distribution	10,878	10,052
	44,731	42,674
Add: revenue deducted on cancellation of shares	94	74
Deduct: revenue received on in specie transactions	(16)	(24)
Deduct: revenue received on issue of shares	(183)	(293)
Net distribution for the year	44,626	42,431
Net revenue after taxation for the year	29,516	30,449
Transfer from income reserve – see note 10	6,214	3,578
Amortisation under coupon accounting	(268)	–
Manager's periodic charge – see note 1(e)	9,122	8,404
Expenses charged to capital	42	–
Net distribution for the year	44,626	42,431

Details of the distribution per share are set out in the distribution tables on page 50.

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 unclaimed distributions as at 31 December 2018 of £12,670 (31.12.2017, £5,637).

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

7. Debtors

	31.12.2018	31.12.2017
	£'000	£'000
Accrued revenue	2,850	3,049

8. Cash equivalents, cash and bank balances

	31.12.2018	31.12.2017
	£'000	£'000
Cash equivalent: cash in The CBF Church of England Deposit Fund	48,980	53,473
Cash equivalent: cash in The Public Sector Deposit Fund	30,000	–
Total cash equivalents	78,980	53,473
Cash and bank balance: cash at bank	10,284	8,525

9. Other creditors

	31.12.2018	31.12.2017
	£'000	£'000
Accrued expenses	814	786
Tax payable	–	210
	814	996

10. Income reserve

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

	Year ended 31.12.2018	Year ended 31.12.2017
	£'000	£'000
Income reserve at the start of the year	12,671	15,534
Equalisation of the income reserve	301	715
Transfer from income reserve	(6,214)	(3,578)
Income reserve at the end of the year	6,758	12,671

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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 shareholders should they wish to sell their shares. Other financial assets and liabilities of the Fund are included in the balance sheet at their fair value.

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

Market price risk

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

At 31 December 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 shareholders, and profit or loss, would increase or decrease respectively by approximately £63,322,000 (31.12.2017, £63,490,000).

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

11. Financial instruments (*continued*)

Credit risk

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

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of UK and overseas equities, fixed interest stocks, sterling and overseas cash deposits. These assets are generally liquid and enable the Fund to meet the payment of any redemption of shares that shareholders may wish to make. However, 8.53% (31.12.2017, 8.04%) of the net asset value of the Fund comprises unquoted investments, which are illiquid.

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 shareholders, and profit or loss, would increase or decrease respectively by approximately £7,376,000 (31.12.2017, increase or decrease respectively by £7,499,000).

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 2018 and 31 December 2017 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	–	8,405	8,405	–	–	–
Canadian dollar	19	8,145	8,164	13	6,305	6,318
Danish krona	–	4,353	4,353	–	19,720	19,720
Euro	51	132,605	132,656	370	161,979	162,349
Hong Kong dollar	–	35,881	35,881	–	36,843	36,843
Japanese yen	62	32,369	32,431	51	46,180	46,231
Korean won	–	8,239	8,239	–	2,402	2,402
Swedish krona	–	11,199	11,199	–	7,007	7,007
Swiss franc	–	41,269	41,269	–	29,546	29,546
US dollar	588	454,379	454,967	4,284	435,191	439,475
Total	720	736,844	737,564	4,718	745,173	749,891

The Fund held derivatives relating to forward currency contracts valued at (£7,359,675) 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 also invests in 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 on 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	89,264	–	854,382	943,646
Euro	–	–	204,042	204,042
Japanese yen	–	–	32,431	32,431
US dollar	27,874	14,048	666,440	708,362
Other	–	–	117,510	117,510
Total	117,138	14,048	1,874,805	2,005,991

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	333,795	333,795
Euro	–	–	71,386	71,386
US dollar	–	–	253,395	253,395
Total	–	–	658,576	658,576

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	58,337	–	526,624	584,961
Euro	–	–	162,349	162,349
Japanese yen	–	–	46,231	46,231
US dollar	3,661	–	435,814	439,475
Other	–	–	101,836	101,836
Total	61,998	–	1,272,854	1,334,852

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	–	–	10,560	10,560
Total	–	–	10,560	10,560

* 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

Undrawn commitments at 31 December were:

	31.12.2018 £	31.12.2017 £
RREEF Pan-European Infrastructure Fund	2,307,276	2,281,826
KKR Mezzanine Partners I	1,914,238	1,802,235
UK Energy Efficiency Investments 1A	1,525,085	1,595,987
KKR Private Credit Opportunities Partners II	4,977,722	6,519,123
Strategic Partners Offshore Real Assets – Infrastructure II	10,916,363	10,525,562
KKR Global Infrastructure Investments III	14,615,444	–
Infracapital Partners III	18,600,465	–
Blackstone Capital Partners Asia	9,687,652	–
European Student Housing Fund II	3,971,434	–

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

13. Unquoted and other investments

Unquoted investments include the Fund's holding of 53.69% (31.12.2017, 53.69%) of the ordinary shares and 28.63% of P ordinary shares of the Manager, which provides investment management and administrative services to The CBF Church of England Funds. The valuation of £39,117,000 (31.12.2017, £27,731,600) is based on a discounted market value calculation, prepared yearly by an independent valuer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

13. Unquoted and other investments (continued)

At 31 December 2018, 3.93% (31.12.2017, 3.08%) of the value of the Fund was held in shares in The CBF Church of England Property Fund, 3.46% (31.12.2017, 3.82%) of the value of the Fund was held in shares in The CBF Church of England UK Equity Fund, 5.23% (31.12.2017, 5.44%) of the value of the Fund was held in shares in The CBF Church of England Global Equity Income Fund, 3.64% (31.12.2017, 4.04%) of the value of the fund was held in The CBF Church of England Deposit Fund, and 2.23% (31.12.2017, £nil) of the value of the Fund was held in The Public Sector Deposit Fund.

At 31 December 2018, the Fund held 49.04% (31.12.2017, 49.40%) of the value of The CBF Church of England Global Equity Income Fund, 77.58% (31.12.2017, 77.00%) of the value of The CBF Church of England UK Equity Fund and 28.04% (31.12.2017, 23.86%) of the value of The CBF Church of England Property Fund. The CBF Church of England Property Fund shares may not be readily realisable, and the Manager may impose a period of notice or delay before carrying out a redemption of shares in that Fund, if it is deemed to be necessary to protect the interests of shareholders in the Fund or to permit properties to be sold to meet a redemption.

14. Related party transactions

The Manager's periodic charge and fee for ethical and stewardship services (including EIAG costs) are paid to the Manager, a related party to the Fund. The amounts incurred in respect of these charges are disclosed in note 4. An amount of £659,523 was due to the Manager at 31 December 2018 (31.12.2017, £637,903). During the year, the Fund received dividends of £1,602,510 from the Manager (31.12.2017, £1,212,510).

CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 31 December 2018 (31.12.2017, £nil). There were no other transactions entered into with CBFFT during the year (31.12.2017, £nil).

At 31 December 2018 a cash balance of £48,979,727 (31.12.2017, £53,472,715) was held in The CBF Church of England Deposit Fund and £30,000,000 (31.12.2017, £nil) was held in The Public Sector Deposit Fund. During the year, the Fund received interest of £127,684 (31.12.2017, £75,318) from The CBF Church of England Deposit Fund and £66,671 (31.12.2017, £24,738) from The Public Sector Deposit Fund.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

14. Related party transactions (*continued*)

Further details of the Fund's holdings in the manager and in other CBF Church of England Funds are disclosed in note 13.

There is no individual investor holding more than 20% 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	256,493	121	0.04	39	0.02	256,653
Fund transactions	13,152	–	–	–	–	13,152
Bond transactions	41,071	–	–	–	–	41,071
In specie transactions	3,302	–	–	–	–	3,302
Corporate actions	17,512	–	–	–	–	17,512
Total	331,530	121		39		331,690

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	319,655	(164)	0.05	(14)	–	319,477
Corporate actions	1,672	–	–	–	–	1,672
Total	321,327	(164)		(14)		321,149

Commissions and taxes as a percentage of average net assets

Commissions 0.02%

Taxes 0.00%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2018 was 0.36%.

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

15. Portfolio transaction costs (*continued*)

For the year ended 31 December 2017

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	356,469	273	0.08	104	0.03	356,846
Fund transactions	2,987	–	–	–	–	2,987
In specie transactions	6,708	–	–	–	–	6,708
Corporate actions	1,767	–	–	–	–	1,767
Total	367,931	273		104		368,308

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	313,416	(239)	0.08	(4)	–	313,173
Fund transactions	8,437	–	–	–	–	8,437
Bond transactions	4,942	–	–	–	–	4,942
Corporate actions	12,095	–	–	–	–	12,095
Total	338,890	(239)		(4)		338,647

Commissions and taxes as a percentage of average net assets

Commissions 0.04%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2017 was 0.33%.

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

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

16. Shareholders' funds – reconciliation of shares

	Year ended 31.12.2018	
	Income shares	Accumulation shares
Opening number of shares at beginning of year	76,456,235	2,015,017
Shares issued in year	4,036,217	80,321
Shares cancelled in year	(1,348,334)	(151,187)
Shares converted in year	(5,578)	2,482
Closing number of shares at end of year	79,138,540	1,946,633

All shareholders 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 fair value of the investments is shown below:

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 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	982,200	178,853	114,876	1,275,929
Investment liabilities	–	(9,487)	–	(9,487)
	982,200	169,366	114,876	1,266,442

For the year ended 31 December 2017

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	992,685	170,513	106,607	1,269,805
	992,685	170,513	106,607	1,269,805

For financial instruments which have quoted prices for identical instruments in active markets, or for which there are prices of recent transactions for identical instruments, those 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 financial instruments for which the Manager uses valuation techniques using non-observable data, the inputs include: valuations from independent experts (which may include discounted cash flow calculations, or prices based upon income yield); or net asset values which the Manager considers reliable, based upon audit reports and the Manager's own knowledge of the investee entity.

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 share	
		2018	2017
Income shares			
31 March	31 May	14.40	13.18
30 June	31 August	14.40	15.62
30 September	30 November	13.04	12.50
31 December	28 February	13.05	12.51
		54.89	53.81
Accumulation shares			
			Revenue accumulated pence per share
			2018
			2017
31 March		23.84	27.73
30 June		29.72	31.81
30 September		23.13	22.40
31 December		28.27	24.17
		104.96	106.11

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

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds Investment Measure 1958 (as amended from time to time) and the Trustee Act 2000 (together the Measure) to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and agree their terms of engagement;
- determine the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Measure and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Measure and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of this Scheme;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Measure;
- make distributions to investors holding Income shares and make allocations to investors holding Accumulation shares in proportion to their respective shares in the property of the Fund; and
- take all steps and execute all documents which are necessary to ensure that the purchases and sales of investments for the Fund are properly completed.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES**Preparation of financial statements**

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

The financial statements show the net asset value of the shares in the Fund as at the date to which the financial statements are prepared, the amount of revenue per share and the amount of revenue, if any, to be transferred to capital pursuant to paragraph 11 of the Schedule to the Measure. In preparing the financial statements, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- complies with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by The Investment Management Association in May 2014;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the financial statements, as prepared, comply with the above requirements;

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

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

Manager responsibilities

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

CBF Funds Trustee Limited
(Charity Registration No. 1116932)

Trustee Directors

R Williams (Chair) – resigned 21 May 2018
A Brookes (Chair) – appointed 21 May 2018
Rev Canon E Carter
S Chan*
C Johnson
N Lewis*
G Pollard
P Read*
S Steele* – resigned 26 February 2018
Rev Dr R Turnbull* – resigned 21 May 2018
M Woodmore*

* *Members of the Audit Committee*

Secretary

J Fox

Manager and Registrar

CCLA Investment Management Limited
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

Authorised and regulated by the Financial Conduct Authority

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 (Chair)
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**Banker**

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

Custodian

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Solicitors

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

The CBF Church of England Funds

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

A choice of Funds

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

Investment Fund

- A suitable 'all-in-one' long-term fund for most church organisations
- Highly diversified and well-balanced spread of investments
- Designed to help meet growth and income requirements
- Focus on delivering attractive, growing income
- Working with the EIAG to reflect appropriately ethical values in your investments

Global Equity Income Fund

- Attractive income
- Steady income in the future
- Strong growth opportunities from the global economy

UK Equity Fund

- The only UK equity fund managed to reflect Church ethical values
- High quality, well-diversified portfolio
- Designed to help meet growth and income requirements
- Usually held with other investments such as overseas equities, bonds and cash to give a broad spread of assets and achieve overall objectives

Fixed Interest Securities Fund

- Long-term investment focused on income
- Gross income paid quarterly
- Usually held with other investments such as equities and cash to give a broad spread of assets and achieve combined income and growth objectives

Property Fund

- Investing in high quality, well-diversified commercial and industrial property
- Focus on delivering attractive income
- Actively managed to add value

Deposit Fund

- An attractive rate
- Interest paid gross
- No minimum balance
- Easy access
- Simple operation
- Excellent service
- Free BACS transfers
- AAAf/S1 Fund rating from Fitch Ratings

The Funds are common funds established under the Church Funds Investment Measure 1958 (as amended from time to time). CBF Funds Trustee Limited, a company incorporated under the Companies Act, is the Trustee and Operator of the Funds. CCLA Investment Management Limited manages the investment of the Funds.

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

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

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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.

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