

COIF CHARITIES GLOBAL EQUITY INCOME FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

Year ended 31 December 2019

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 2019**

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 13 May 2009, 21 July 2014, 22 July 2014, 5 December 2015 and 21 August 2017 (the Scheme). The Fund is managed by the Manager as an unregulated collective investment scheme and as an alternative investment fund in accordance with the Financial Conduct Authority 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 Financial Conduct Authority 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 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 2019

Benchmark

MSCI™ World Index is the benchmark for the Fund.

Distribution Policy

The Fund takes its distributions from income. The annual rate of distribution is approved by the Board in discussions with the Manager.

Target investors

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 review 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 the portfolio statement of these Financial Statements.

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 for 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 diversification of assets.

REPORT OF THE BOARD

for the year ended 31 December 2019

The Board has adopted an ethical investment policy which reflects client priorities researched by the Manager. The Fund prohibits investment in companies that have been identified by our third-party data provider (MSCI), as being involved in:

- producing landmines, cluster bombs or chemical/biological weapons;
- producing tobacco products;
- having significant (>10%) turnover relating to online gambling or the production of pornography.

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 and risk report.

N Morecroft
Chairman
11 May 2020

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2019

Performance

Over the year, the Fund achieved a total return after expenses of 27.32% on both income and accumulation unit classes. This compares with a return of 22.74% on the benchmark. Relative performance was supported by stock selection as the high quality, consistent growth companies which dominated the portfolio, outperformed the broad market indices. As at 31 December 2019, the Fund had a gross dividend of 3.17% compared with 2.32% on the global equity index. The income payment to investors was unchanged over the year. The Fund maintains

a total return policy with regards to income whereby the distribution to investors can be sourced from both conventional income receipts and sustainable capital gains.

Economic and Investment Market Review

The global economy grew over the year but at a moderate pace, the rate of expansion held back by trade friction and the impact of interest rate increases made in 2018. Consumer activity was resilient, supported by low unemployment and wage growth above the pace of price increase.

Annualised total capital and income return

To 31 December 2019	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)			
COIF Charities Global Equity Income Fund:			
Income units*	27.32%	11.32%	10.72%
Accumulation units*	27.32%	11.36%	10.74%
Benchmark#	22.74%	12.09%	12.18%
MSCI World	22.74%	12.33%	11.66%
MSCI United Kingdom Investable Market Index (IMI)	18.40%	7.23%	7.86%

Benchmark – 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 2019

In contrast, manufacturing weakened, and global trade volumes came under pressure. Faced with fading growth, a number of central banks, including the US Federal Reserve and the European Central Bank, chose to reduce interest rates, effectively reversing the policy tightening undertaken in 2018. This had a positive effect on investor sentiment even though any boost to activity will not be apparent until sometime in 2020.

Global equity markets began the year positively, recovering from the downtrend that dominated the indices in the final quarter of 2018. The rise was supported by a positive investor reaction to easier monetary policies and prices strengthened further at the end of the period on new year optimism and hopes for a trade agreement between China and the US. Over the year the global equity index gave a total return to a UK based investor of 22.31%. The US was the strongest of the major markets, gaining 26.55%. Elsewhere, Europe improved by 20.50%, the UK by 19.17%, Japan by 14.84% and Asia by 14.48%. In Europe, all the individual national indices rose, seven by more than 20%. In Asia, most advanced with negative returns only from Malaysia.

Strategy

The portfolio is built on a 'bottom-up' basis, that is by selecting individual companies thought to be attractive, rather than by having any pre-determined allocations to any sector or region. This has resulted in a relatively high weighting to technology and health companies and to those in

consumer related industries. In contrast, there is a low allocation to utilities and at the year end, no holdings in major oil and gas producers.

Outlook

The COVID-19 pandemic will have a significant negative effect on the world economy, severely reducing activity in the early months of the year. Such is the scale of impact that output for 2020 as a whole is unlikely to show any growth on 2019. Governments have responded to the crisis by easing monetary conditions and increasing spending; actions which will be beneficial over time but can do little in the short term to moderate a shock to both supply and demand sides of the economy. The crisis has come at a time when investment markets, after a decade of rising prices, were far from bargain levels, the result has been a sharp fall in sentiment and a severe correction in asset values. After a crisis on this scale, recovery will take time but we are hopeful of a return to more normal conditions in the second half of the year. This will allow a recovery which will continue into the new year. In the near term, asset markets are likely to remain volatile, but as confidence increases that the peak of the pandemic has passed, we expect asset prices to stabilise and then begin to improve once more.

J Bevan
Chief Investment Officer
CCLA Fund Managers Limited
11 May 2020

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 December 2019

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
Roche Holding	2,910	Booking Holdings	1,964
Agilent Technologies	2,735	Beiersdorf	1,744
Electronic Arts	1,732	Nestlé	1,693
Merck & Co.	1,677	Nomura Research Institute	1,567
Elanco Animal Health	1,628	JP Morgan Chase & Co.	1,543
Wolters Kluwer	1,615	Reckitt Benckiser	1,524
Nike B	1,611	Duke Energy Corporation	1,490
Hexagon	1,608	Citigroup	1,421
Adobe	1,293	London Stock Exchange	1,411
IDEX Biometrics	1,267	DS Smith	1,364

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

Risk warning

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

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

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

REPORT OF THE DEPOSITARY
for the year ended 31 December 2019

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
11 May 2020

INDEPENDENT AUDITORS' 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 Fund's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended and of the movements in the net assets of the Fund between their position as at 1 January 2019 and 31 December 2019;
- 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 section 144 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 Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; 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 description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Managers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Managers' have 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.

INDEPENDENT AUDITORS' 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 Fund's ability to continue as a going concern.

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 Managers are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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.

Reporting required by the Charities Act 2011

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Managers' Annual Report 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 42, 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 AUDITORS' REPORT**to the Trustees of COIF Charities Global Equity Income Fund**

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Managers either intends to liquidate the Fund or to cease operations, or has 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 Fund's Managers as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 24 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; or
- the financial statements are not in agreement with the accounting records and returns.

INDEPENDENT AUDITORS' 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
11 May 2020

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

SUMMARY RISK INDICATOR

The European Union imposed legislation which sets out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the recommended holding period (RHP).



The Manager has classified the COIF Charities Global Equity Income Fund 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 and poor market conditions are unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

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

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. The Fund does not include any protection from future market performance, so you could lose some or all of your investment.

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

Due to the COVID-19 outbreak, financial markets experienced increased volatility during the first quarter of 2020. This had the effect of increasing the risk indicator of the Fund from 3 to 4, which is a medium risk class.

COMPARATIVE TABLE

Change in net assets per unit

	Year to 31.12.2019 pence per unit	Income units Year to 31.12.2018 pence per unit	Year to 31.12.2017 pence per unit
Opening net asset value per unit	168.09	172.92	163.28
Return before operating charges*	47.45	3.42	17.82
Operating charges	(1.86)	(1.69)	(1.62)
Return after operating charges*	45.59	1.73	16.20
Distributions on Income units	(6.56)	(6.56)	(6.56)
Closing net asset value per unit	207.12	168.09	172.92
* after direct transaction costs of:	0.07	0.08	0.21

Performance

Return after charges	27.12%	1.00%	9.92%
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Other information

Closing net asset value (£'000)	160,658	138,533	149,985
Closing number of units	77,568,859	82,414,435	86,736,050
Operating charges**	0.95%	0.95%	0.95%
Direct transaction costs	0.04%	0.04%	0.13%

Prices (pence per unit)

Highest unit price (offer)	213.16	192.22	176.46
Lowest unit price (bid)	165.88	162.77	160.27

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 31.12.2019 pence per unit	Year to 31.12.2018 pence per unit	Year to 31.12.2017 pence per unit
Opening net asset value per unit	282.74	280.17	254.55
Return before operating charges*	80.40	5.35	28.18
Operating charges	(3.17)	(2.78)	(2.56)
Return after operating charges*	77.23	2.57	25.62
Distributions on Accumulation units	(4.66)	(4.96)	(9.30)
Retained distributions on Accumulation units	4.66	4.96	9.30
Closing net asset value per unit	359.97	282.74	280.17
* after direct transaction costs of:	0.12	0.13	0.34
Performance			
Return after charges	27.31%	0.92%	10.06%
Other information			
Closing net asset value (£'000)	6,615	4,962	5,031
Closing number of units	1,837,606	1,754,997	1,795,499
Operating charges**	0.95%	0.95%	0.95%
Direct transaction costs	0.04%	0.04%	0.13%
Prices (pence per unit)			
Highest unit price (offer)	367.57	317.44	283.23
Lowest unit price (bid)	279.01	263.72	249.85

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 2019

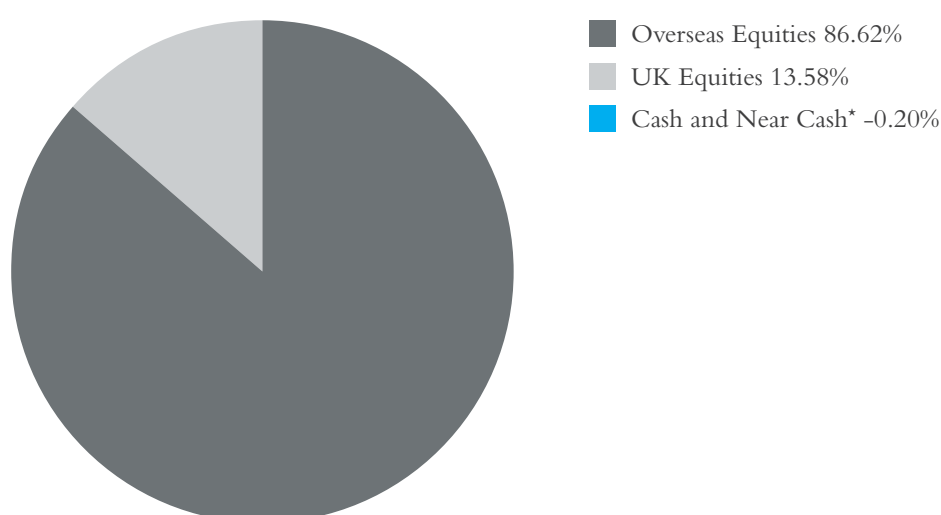
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2019 %	31.12.2018 %
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 2019

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	56.62%
Developed Europe	18.47%
Asia Pacific ex Japan	8.19%
Japan	3.34%
	86.62%

Breakdown of Equities by Sector

Information Technology	21.03%
Health Care	20.55%
Financials	12.67%
Industrials	11.54%
Consumer Staples	10.59%
Consumer Discretionary	9.58%
Communication Services	8.59%
Materials	3.11%
Real Estate	1.91%
Utilities	0.63%
	100.20%

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

* The Cash and Near Cash percentage is negative because liabilities exceeds the current cash equivalents, cash and bank balances at year-end. Please see the balance sheet and notes to the financial statements for further information.

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM 13.58% (31.12.2018 – 15.61%)			
Consumer Discretionary 1.59% (31.12.2018 – 2.02%)			
Compass Group	71,736	1,356	0.81
InterContinental Hotels Group	25,126	1,308	0.78
Consumer Staples 3.81% (31.12.2018 – 4.93%)			
Diageo	79,184	2,534	1.52
Unilever	88,179	3,836	2.29
Financials 2.38% (31.12.2018 – 3.08%)			
London Stock Exchange	37,300	2,880	1.72
Prudential	76,228	1,102	0.66
Health Care 2.06% (31.12.2018 – 0.82%)			
Abcam	134,931	1,824	1.09
Genus	50,966	1,618	0.97
Industrials 2.89% (31.12.2018 – 3.05%)			
Experian	63,611	1,623	0.97
RELX	169,235	3,206	1.92
Materials 0.85% (31.12.2018 – 1.71%)			
Croda International	27,666	1,415	0.85
OVERSEAS EQUITIES 86.62% (31.12.2018 – 81.26%)			
DEVELOPED EUROPE 18.47% (31.12.2018 – 16.52%)			
Consumer Discretionary 2.70% (31.12.2018 – 2.55%)			
Adidas	8,614	2,120	1.27
LVMH Moët Hennessy Louis Vuitton	6,830	2,397	1.43
Consumer Staples 4.81% (31.12.2018 – 5.78%)			
Heineken	33,081	2,661	1.59
L'Oreal	7,162	1,599	0.96
Nestlé	26,065	2,129	1.27
Pernod Ricard	8,453	1,142	0.68
Rémy Cointreau	5,530	510	0.31

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
Energy 0.00% (31.12.2018 – 0.94%)			
Financials 1.04% (31.12.2018 – 1.00%)			
Deutsche Börse	14,628	1,741	1.04
Health Care 2.60% (31.12.2018 – 1.32%)			
DiaSorin	9,998	978	0.58
Roche Holding	13,838	3,387	2.02
Industrials 3.20% (31.12.2018 – 2.06%)			
Assa Abloy	66,578	1,175	0.70
Epiroc	95,647	884	0.53
SGS	758	1,566	0.94
Wolters Kluwer	31,126	1,715	1.03
Information Technology 2.45% (31.12.2018 – 1.21%)			
Hexagon	40,172	1,695	1.01
SAP	23,626	2,403	1.44
Materials 1.67% (31.12.2018 – 1.66%)			
Chr. Hansen	13,822	830	0.50
Givaudan	467	1,103	0.66
Sika	6,054	858	0.51
NORTH AMERICA 56.63% (31.12.2018 – 52.97%)			
Communication Services 6.74% (31.12.2018 – 4.87%)			
Activision Blizzard	58,192	2,610	1.56
Alphabet	4,803	4,843	2.90
Electronic Arts	22,452	1,821	1.09
The Walt Disney Company	18,297	1,996	1.19
Consumer Discretionary 5.30% (31.12.2018 – 5.04%)			
Amazon	2,891	4,031	2.41
McDonald's	10,708	1,597	0.96
Nike B	22,245	1,701	1.02
Starbucks Corporation	22,824	1,514	0.91
Consumer Staples 0.00% (31.12.2018 – 0.87%)			

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
Energy 0.00% (31.12.2018 – 0.77%)			
Financials 7.63% (31.12.2018 – 10.33%)			
Bank of America	77,757	2,066	1.24
Blackstone Group	28,024	1,183	0.71
Chicago Mercantile Exchange	16,192	2,452	1.47
JP Morgan Chase & Co.	17,188	1,808	1.08
NASDAQ	23,220	1,877	1.12
S&P Global	10,349	2,132	1.27
Schwab (Charles)	34,648	1,243	0.74
Health Care 14.78% (31.12.2018 – 10.12%)			
Agilent Technologies	45,230	2,912	1.74
Danaher Corporation	27,855	3,227	1.93
Elanco Animal Health	66,730	1,483	0.89
Intuitive Surgical	1,881	839	0.50
Illumina	3,498	876	0.52
Medtronic	24,709	2,115	1.26
Merck & Co.	24,998	1,716	1.03
Pfizer	77,984	2,305	1.38
Stryker Corporation	15,563	2,465	1.47
Thermo Fisher Scientific	9,506	2,329	1.39
UnitedHealth Group	11,993	2,660	1.59
Zoetis	18,139	1,812	1.08
Industrials 3.82% (31.12.2018 – 4.41%)			
Ametek	13,437	1,011	0.60
Canadian Pacific Railway	6,880	1,324	0.79
Honeywell International	14,411	1,925	1.15
IDEX Biometrics	10,209	1,325	0.79
Rockwell Automation	5,413	828	0.49
Information Technology 15.23% (31.12.2018 – 12.41%)			
Accenture	15,442	2,454	1.47
Adobe	14,559	3,623	2.17
Fidelity National Information Services	24,575	2,579	1.54
Mastercard	10,757	2,422	1.45
Microsoft Corporation	37,029	4,402	2.63

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
PayPal Holdings	34,988	2,857	1.71
ServiceNow	3,091	659	0.39
SS&C Technologies	43,820	2,031	1.21
Texas Instruments	12,799	1,239	0.74
Visa A	22,681	3,216	1.92
Materials 0.59% (31.12.2018 – 1.18%)			
Ecolab	6,785	988	0.59
Real Estate 1.91% (31.12.2018 – 1.95%)			
Alexandria Real Estate Equities	13,328	1,625	0.97
Prologis	23,427	1,576	0.94
Utilities 0.63% (31.12.2018 – 1.02%)			
NextEra Energy	5,786	1,057	0.63
OTHER AMERICAS 0.00% (31.12.2018 – 0.49%)			
Consumer Staples 0.00% (31.12.2018 – 0.49%)			
JAPAN 3.34% (31.12.2018 – 4.54%)			
Consumer Staples 0.92% (31.12.2018 – 1.74%)			
Kao Corporation	24,500	1,536	0.92
Industrials 1.62% (31.12.2018 – 1.20%)			
FANUC Corporation	7,100	1,002	0.60
Recruit Holdings	59,800	1,702	1.02
Information Technology 0.80% (31.12.2018 – 1.60%)			
Keyence Corporation	5,000	1,336	0.80
ASIA PACIFIC EX JAPAN 8.18% (31.12.2018 – 6.74%)			
Communication Services 1.86% (31.12.2018 – 1.22%)			
Tencent Holdings	85,400	3,108	1.86
Consumer Staples 1.05% (31.12.2018 – 1.05%)			
LG Household & Healthcare	2,143	1,763	1.05

PORTFOLIO STATEMENT

at 31 December 2019

	Holding	Fair value £'000	% of total net assets
Financials 1.62% (31.12.2018 – 1.81%)			
AIA Group	341,800	2,709	1.62
Health Care 1.09% (31.12.2018 – 1.19%)			
Sonic Healthcare	119,775	1,821	1.09
Information Technology 2.56% (31.12.2018 – 1.47%)			
Network International Holdings	195,262	1,252	0.75
NICE	10,026	1,174	0.70
Taiwan Semiconductor Manufacturing Company	42,205	1,851	1.11
FORWARD CURRENCY CONTRACTS 0.00% (31.12.2018 – (0.01%))			
INVESTMENT ASSETS		167,603	100.20
NET OTHER LIABILITIES		(330)	(0.20)
TOTAL NET ASSETS		167,273	100.00

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2019

	Note	Year ended 31.12.2019		Year ended 31.12.2018	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		37,391		825
Revenue	3	2,704		2,942	
Expenses	4	(1,534)		(1,473)	
Net revenue before taxation		1,170		1,469	
Taxation	5	(372)		(248)	
Net revenue after taxation			798		1,221
Total return before distributions			38,189		2,046
Distributions	6		(5,275)		(5,587)
Change in net assets attributable to unitholders from investment activities			32,914		(3,541)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 December 2019

	Year ended 31.12.2019		Year ended 31.12.2018	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		143,495		155,016
Amounts receivable on issue of units	2,826		6,144	
Amounts payable on cancellation of units	(12,042)		(14,213)	
		(9,216)		(8,069)
Change in net assets attributable to unitholders from investment activities		32,914		(3,541)
Retained distributions on Accumulation units		80		89
Closing net assets attributable to unitholders		167,273		143,495

The notes on pages 26 to 40 and the distribution tables on page 41 form part of these financial statements.

BALANCE SHEET
at 31 December 2019

	<i>Note</i>	31.12.2019		31.12.2018	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			167,603		139,911
Current assets:					
Debtors	7	117		421	
Cash equivalents	8	10		5,470	
Cash and bank balances	8	961		94	
Total current assets			1,088		5,985
Total assets			168,691		145,896
LIABILITIES					
Investment liabilities			–		919
Creditors:					
Other creditors	9	146		130	
Distribution payable on Income units		1,272		1,352	
Total creditors			1,418		1,482
Total liabilities			1,418		2,401
Net assets attributable to unitholders			167,273		143,495

The financial statements on pages 24 to 41 have been approved by the Board.

Approved on behalf of the Board
11 May 2020

N Morecroft, Chairman

The notes on pages 26 to 40 and the distribution tables on page 41 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

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 Government and other fixed interest stocks, bank deposits and interest on deposits in the COIF Charities Deposit Fund are 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 2019

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 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. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services. 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. The annual rate of distribution is approved by the Board in discussions with the Manager.

(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 2019

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

	31.12.2019 £'000	31.12.2018 £'000
The net capital gains during the year comprise:		
Unrealised gains/(losses) on non-derivative securities*	28,775	(7,111)
Realised gains on non-derivative securities*	8,663	8,010
Currency losses	(47)	(62)
Unrealised losses on forward currency contracts*	–	(12)
	37,391	825

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

3. Revenue

	31.12.2019 £'000	31.12.2018 £'000
Overseas dividends	2,074	2,422
UK dividends	589	503
Interest on the COIF Charities Deposit Fund	28	7
Manager's periodic charge rebate*	8	6
Bank interest	5	4
	2,704	2,942

* 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 2019

4. Expenses

	31.12.2019 £'000	31.12.2018 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(e)	1,452	1,388
Manager's fee for ethical services	16	22
	<u>1,468</u>	<u>1,410</u>
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	16	19
Depositary fee	13	13
	<u>29</u>	<u>32</u>
Other expenses:		
Audit fee	13	12
Insurance fee	1	1
Other fees	23	18
	<u>37</u>	<u>31</u>
Total expenses	<u>1,534</u>	<u>1,473</u>

The above expenses include VAT where applicable.

Audit fee net of VAT is £10,979 (31.12.2018, £10,455).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

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 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.

	31.12.2019 £'000	31.12.2018 £'000
Overseas taxation suffered in the year	294	302
Overseas recoverable withholding tax written off/(windfall) in the year	75	(54)
Tax on capital special dividends	3	–
Total taxation	372	248

6. Distributions

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

	31.12.2019 £'000	31.12.2018 £'000
31 March – interim distribution	1,343	1,398
30 June – interim distribution	1,346	1,417
30 September – interim distribution	1,293	1,400
31 December – final distribution	1,285	1,369
	5,267	5,584
Add: revenue deducted on cancellation of units	13	18
Deduct: revenue received on issue of units	(5)	(15)
Net distribution for the year	5,275	5,587
Net revenue after taxation for the year	798	1,221
Capital transfers for income distribution	3,006	2,557
Transfer from income reserve – see note 10	–	399
Manager's periodic charge – see note 1(e)	1,468	1,410
Tax on capital special dividends	3	–
Net distribution for the year	5,275	5,587

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

6. Distributions (*continued*)

Details of the distribution per unit are set out in the distribution tables on page 41.

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 2019 of £830 (31.12.2018, £nil).

7. Debtors

	31.12.2019 £'000	31.12.2018 £'000
Accrued revenue	117	116
Amounts receivable on creation of units	–	305
	117	421

8. Cash equivalents, cash and bank balances

	31.12.2019 £'000	31.12.2018 £'000
Cash equivalents – cash in the COIF Charities Deposit Fund	10	5,470
Cash and bank balances: cash at bank	961	94

9. Other creditors

	31.12.2019 £'000	31.12.2018 £'000
Accrued expenses	145	130
Overseas tax payable	1	–
	146	130

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

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.

	31.12.2019 £'000	31.12.2018 £'000
Income reserve at the start of the year	–	411
Equalisation of the income reserve	–	(12)
Transfer from income reserve	–	(399)
Income reserve at the end of the year	–	–

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, UK Property 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 2019

11. Financial instruments (continued)

Market price risk (continued)

At 31 December 2019, 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 £8,381,000 (31.12.2018: £6,950,000).

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 settlement amounts for forward currency contracts. To minimise this, the Fund only deals with an approved list of brokers maintained by the Manager. Depending on the counterparty, the Fund may employ collateral arrangements 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 2019, 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 £1,470,000 (31.12.2018: £1,195,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

11. Financial instruments (continued)

Currency risk (continued)

The total foreign currency exposure at 31 December was:

Currency	31.12.2019			31.12.2018		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian dollar	–	1,821	1,821	–	1,712	1,712
Brazilian real	–	–	–	–	706	706
Canadian dollar	3	1,324	1,327	3	1,362	1,365
Danish krona	–	830	830	–	–	–
Euro	–	20,472	20,472	16	18,218	18,234
Hong Kong dollar	–	5,816	5,816	–	4,348	4,348
Japanese yen	10	5,577	5,587	17	6,523	6,540
Korean won	–	1,763	1,763	–	1,513	1,513
Swedish krona	–	3,753	3,753	–	1,725	1,725
Swiss franc	–	9,043	9,043	–	6,497	6,497
US dollar	104	96,456	96,560	79	76,736	76,815
Total	117	146,855	146,972	115	119,340	119,455

The Fund held derivatives relating to forward currency contracts with a net value of £nil as at 31 December 2019 (31.12.2018, £(12,264)).

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 2019

11. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2019 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	971	–	20,748	21,719
Euro	–	–	20,472	20,472
Japanese yen	–	–	5,587	5,587
US dollar	–	–	96,560	96,560
Other	–	–	24,353	24,353
Total	971	–	167,720	168,691

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	(1,418)	(1,418)
Total	–	–	(1,418)	(1,418)

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

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	–	–	(31,288)	(31,288)
Euro	–	–	(9,187)	(9,187)
US dollar	–	–	(21,526)	(21,526)
Total	–	–	(62,001)	(62,001)

* 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 commitments or contingent liabilities as at 31 December 2019 (31.12.2018, £nil).

13. Board remuneration

The Board members receive no remuneration from the COIF Charity Funds. Mr Glenn Newson was appointed a Director of CCLA Investment Management Limited (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

From 1 October 2019, the Manager, a related party of the Fund, ceased charging the fee for ethical and stewardship services. The amounts paid in respect of these charges are disclosed in note 4. An amount of £128,330 was due to the manager at 31 December 2019 (31.12.2018, £113,431). There were no other transactions entered into with the Manager during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

14. Related party transactions (continued)

At 31 December 2019 a cash balance of £9,689 (31.12.2018, £5,469,689) was held in the COIF Charities Deposit Fund. During the year, the Fund received interest of £27,637 (31.12.2018, £7,252) 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 3.

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

As at 31 December 2019, the COIF Charities Investment Fund held 48.40% (31.12.2018, 45.79%) of the value of the Fund.

15. Portfolio transaction costs

For the year ended 31 December 2019

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	45,476	24	0.05	7	0.02	45,507
Total	45,476	24		7		45,507

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	54,327	(27)	0.05	–	–	54,300
Corporate actions	12	–	–	–	–	12
Total	54,339	(27)		–		54,312

Commissions and taxes as a percentage of average net assets

Commissions 0.03%

Taxes 0.01%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

15. Portfolio transaction costs (continued)

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2019 was 0.10%.

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%

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

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 shares, 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 2019

16. Unitholders' funds – reconciliation of units

	31.12.2019	
	Income units	Accumulation units
Opening number of units at beginning of year	82,414,435	1,754,997
Units issued in year	933,218	292,288
Units cancelled in year	(6,065,117)	(41,080)
Units converted in year	286,323	(168,599)
Closing number of units at end of year	77,568,859	1,837,606

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 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.

For the year ended 31 December 2019

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	167,603	–	–	167,603
	167,603	–	–	167,603

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

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 financial instruments which have quoted prices for identical instruments in active markets, 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 derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

18. Subsequent event – COVID-19

The table below shows the closing net asset value per unit class on 7 May 2020, which illustrates the movement since the balance sheet date. This movement takes into account routine transactions but also reflects the market movements including the impact on the financial markets from the increasing fears over the spread of Coronavirus.

Unit class	Year ended 31.12.2019 NAV per unit	07.05.2020 NAV per unit
Income units	207.12	206.03
Accumulation units	359.97	361.20

DISTRIBUTION TABLES

for the year ended 31 December 2019

Period ended	Date paid/payable		Dividends paid/payable pence per unit	
	2019	2018	2019	2018
Income units				
31 March	31 May	31 May	1.64	1.64
30 June	30 August	31 August	1.64	1.64
30 September	29 November	30 November	1.64	1.64
31 December	28 February	28 February	1.64	1.64
			6.56	6.56

Period ended	Revenue accumulated pence per unit	
	2019	2018
Accumulation units		
31 March	1.24	1.06
30 June	1.70	1.76
30 September	1.04	1.14
31 December	0.68	1.00
	4.66	4.96

The distributions for Income units 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 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 Financial Conduct Authority 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;
- that 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;

- that 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 Investment Management Limited.

Recharges for these services of CCLA Investment Management Limited to the Manager are levied in respect of CCLA Investment Management Limited's year ending on 31 March each year. The recharge for the year to 31 March 2019 was £24,000,000. A recharge of £22,700,000 was levied in the year to 31 March 2018.

The average number of full time equivalent staff of CCLA Investment Management Limited, including temporary staff, for the year ended 31 March 2019 was 124 (year ended 31 March 2018: 121).

During the year ended 31 December 2019 and the prior year, remuneration was paid to CCLA Investment Management Limited 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 2019		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,212	3,394	4,606
Other staff	9,824	3,412	13,236
Total	11,036	6,806	17,842

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

Remuneration above is the total remuneration for CCLA Investment Management Limited; 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 AND MANAGER INFORMATION

Board

N Morecroft, ASIP (Chairman)
 K Corrigan, FCCA
 A Daws, Solicitor – retired 18 November 2019
 J Hobart, MA
 G Newson, MRICS
 S Niven, CFA – appointed 1 August 2019
 C Ong, MBA – appointed 1 August 2019
 A Watson, CBE – appointed 1 August 2019
 J West, FCA – retired 18 November 2019

Secretary

J Fox

Manager and Alternative Investment Fund Manager (AIFM)

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 Bank plc
 8 Canada Square
 Canary Wharf
 London
 E14 5HQ

Authorised and regulated by the Financial Conduct Authority

Executive Directors of the Manager

M Quicke, OBE (Chief Executive) – retired 8 July 2019
 P Hugh Smith (Chief Executive) – appointed 9 July 2019
 J Bevan (Chief Investment Officer)
 E Sheldon (Chief Operating Officer)
 A Robinson, MBE (Director Market Development)

Non-Executive Directors of the Manager

R Horlick (Chairman)
 J Jesty – appointed 24 April 2020
 C Johnson
 G Newson
 A Roughead – appointed 24 April 2020
 T Salmon, OBE – resigned 1 January 2019
 J Tattersall

Fund Manager

J Bevan

Company Secretary

J Fox

Head of Risk, Internal Audit and Compliance

R Plumridge – resigned 31 January 2020
 JP Lim – appointed 1 May 2020

Head of Ethical and Responsible Investment

J Corah

Third Party Advisors

Custodian, Trustee and Depositary

HSBC Bank plc
 8 Canada Square
 Canary Wharf
 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

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

Both companies are authorised and regulated by the Financial Conduct Authority. Registered address: Senator House, 85 Queen Victoria Street, London EC4V 4ET.

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