CCLA Investment Management Limited

ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2018

60 YEARS OF
GOOD INVESTMENT

CCLA

60 YEARS OF
GOOD INVESTMENT

Contents

04 Activities and Objectives*

11 Business Environment and Performance*

15 Chairman's Statement*

17 Chief Executive's Review*

19 Directors' Report

25 Board Profiles

28 Corporate Governance Report

35 Independent Auditors' Report

39 Consolidated Statement of Comprehensive Income

40 Consolidated Statement of Financial Position

41 Company Statement of Financial Position

42 Consolidated Statement of Changes in Equity

43 Company Statement of Changes in Equity

44 Consolidated Statement of Cash Flows

45 Notes to the Financial Statements

63 Longer term trends in performance (unaudited)

65 List of organisations that we have supported during the year

66 Company Information

* These sections comprise CCLA's Strategic Report

Disability Discrimination Act 1995

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

Activities and Objectives

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

Our client base is as follows:

Type of client	Funds under management at 31 March 2018	Funds under management at 31 March 2017
Charities	£4,354m (55.5%)	£4,035m (56.3%)
Church of England organisations	£2,183m (27.8%)	£2,079m (29.0%)
Local authority and public sector	£1,305m (16.6%)	£1,047m (14.6%)
Total	**£7,842m**	**£7,161m**

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

Fund type	Funds under management at 31 March 2018	Funds under management at 31 March 2017
Endowment funds*	£4,769m	£4,214m
Short-term cash funds	£1,962m	£1,918m
Property funds	£1,500m	£1,240m
Other specialist funds	£574m	£582m

*Endowment funds comprise the COIF and CBF Investment Funds and segregated clients.

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

A combination of strong investment performance, attractive products and effective marketing and sales has resulted in good net new fund flows. This represents one of our core Key Performance Indicators (KPIs).

Fund flows by fund type	Year to 31 March 2018	Year to 31 March 2017
Endowment funds	£352m	£292m
Short-term cash funds	-£69m	£183m
Property funds	£233m	£144m
Other specialist funds	£2m	£17m
Total	**£518m**	**£636m**

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

Size of client	Number of clients	Funds under management	Average client size
£0 to £10,000	13,100	£45m	£3,440
£10,000 to £500,000	20,600	£1,580m	£76,600
£500,000 to £5,000,000	1,480	£2,130m	£1,440,000
Over £5,000,000	283	£4,100m	£14.5m

Client numbers exclude nil balances, and have been rounded to three significant figures.

Type of client	Number of clients	Number of client accounts
Charities	22,800	38,500
Church of England organisations	12,000	44,300
Local authority and public sector	592	621
Total	**35,400**	**83,200**

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

The majority of our clients invest with us though our pooled funds. For large clients whose requirements cannot be met by our pooled funds, we also provide segregated portfolio management. Further details about our products and services are available on our website www.ccla.co.uk.

Our approach to investment management

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

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

Year to 31 December 2017	Fund size at 31 December 2017	Distribution for the year	Fund yield 31 December 2017
COIF Charities Investment Fund	£2,120m	£66.2m	3.34%
The CBF Church of England Investment Fund	£1,330m	£42.7m	3.28%
Local Authorities Property Fund	£931m	£36.9m	4.58%
COIF Charities Property Fund	£523m	£29.4m	6.40%
COIF Charities Ethical Investment Fund	£424m	£13.5m	3.45%

Over the last year to 31 December 2017, all our long-term funds increased their distribution rates, and in respect of that year, CCLA long-term and cash funds distributed a total of £232m (2017: £225m) to our clients to support their work. The maintenance and growth of long-term fund distributions per share is a core KPI.

Our flagship pooled endowment funds have performed strongly against comparators and competitors.* This outperformance has meant that our clients have significantly more capital than if they had invested in the average mixed fund. The performance of these funds is a core KPI.

Fund performance	2017	Year to 31 December 2016	2015	2014	2013	Cumulative five year performance
COIF Charities Investment Fund	12.45%	14.36%	5.17%	9.00%	16.50%	71.75%
The CBF Church of England Investment Fund	12.76%	15.28%	5.46%	9.51%	16.24%	74.51%
COIF Charities Ethical Investment Fund	11.80%	14.43%	4.71%	7.96%	17.06%	69.30%
ARC Steady Growth Charity Index*	9.44%	12.59%	2.12%	4.38%	14.94%	50.97%

Source: CCLA

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

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

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

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

Improving corporate behaviour through engagement is an important part of maximising long-term sustainable investment returns as well as supporting the work of our clients. Through the reporting year, we engaged with 268 companies on topics including childhood obesity, modern day slavery in supply chains, the risk of stranded fossil fuel assets and poorly aligned executive pay.

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

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

In 2017, CCLA were awarded the highest grade (A+) for our responsible investment strategy and approach to active ownership; an 'A' Grade for our approach to considering ESG issues in our listed equity investment process and a 'B' in Property Investment. Our full assessment report is available on our website. Our PRI grades are a core KPI.

CCLA recognises the ability for climate change to affect the value of investments and publicly supports the findings of the Taskforce on Climate Related Financial Disclosure.

Client service and administration

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

With such a large client base, we provide a differentiated service depending upon the needs of the clients. For those with the simplest requirements, we have an experienced in-house team of client service staff able to answer all client questions. We have 15 members of staff available to talk to these clients, and a further 11 members of staff processing their instructions. Over the last twelve months, we have processed 79,614 client instructions.

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

Over the last twelve months there were a total of 145 errors, which equates to approximately 1 error for every 549 instructions (0.2%). As a result of these errors, CCLA received 10 upheld complaints (as defined in the Financial Conduct Authority (FCA) Handbook), which equates to approximately 1 complaint for every 7,961 instructions (0.01%). Of the errors, 20 required compensation totalling £16,000. Additionally, over the same period, CCLA had 5 breaches that required notification to the FCA. Our error, complaint and breach levels are core KPIs.

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

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

Our shareholders

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

Owner of voting and non-voting Ordinary shares as at 31 March 2018	Number of shares	Percentage of shares
The CBF Church of England Investment Fund	130,000	53.69%
COIF Charities Investment Fund	54,167	22.37%
The Local Authorities Mutual Investment Trust (LAMIT)	32,500	13.42%
Current and former Executive Directors	25,470	10.52%
Total	**242,137**	**100.00%**

Current and former Executive Directors acquired their shares under a Long Term Incentive Plan which is disclosed in detail on page 61. Starting this year to 31 March 2018, all employees granted deferred bonuses have the option of linking the value of their deferred bonus to CCLA shares and will receive CCLA shares when they vest. This scheme is disclosed in more detail on pages 54 to 55.

Since the end of the financial year, CCLA has established an Employee Benefit Trust in order to provide a mechanism for employees to buy and sell shares without calling on the three major shareholders.

For the major shareholders, their investment in CCLA is small compared with the size of their funds. For the CBF Church of England Investment Fund, it represents 2.15% and for the COIF Charities Investment Fund 0.69%. This means that their principal financial focus is on delivering what is in the long-term interests of the clients, rather than maximising the value of CCLA.

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

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

CCLA has a target minimum regulatory capital of 2.4 times our minimum regulatory capital plus £2m. This target has been set to ensure that under all reasonable circumstances, CCLA would not be required to ask its shareholders for more capital. A core KPI is the level of our regulatory capital compared with our target minimum regulatory capital, and this position has improved over the last year as follows:

Position as at 31 March	2018 £'000	2017 £'000
Shareholder funds	29,174	25,200
Regulatory capital following the audit	25,626	22,114
Regulatory capital requirement	5,279	4,674
Surplus over minimum regulatory capital	20,347	17,440
Target minimum regulatory capital	14,670	13,218
Surplus over target minimum regulatory capital	10,956	8,896

The regulatory capital requirement stated above is calculated to be the Group's Pillar 1 capital requirement (as defined in the FCA's rules). The Pillar 2 capital requirement has been calculated as £2,458,000. Our Pillar 1 capital requirement has therefore been used as it is the greater of the two. The relationship between our Pillar 1 and Pillar 2 capital requirement is a core KPI.

Business Environment and Performance

Our market share and trends in our markets

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

The most recent Charity Finance survey as at 30 June 2017 showed CCLA as the third largest charity fund manager in the UK, but with by far the largest number of clients. The total charity funds captured by this survey are £71bn, and whilst there will be other charity funds not captured by the survey, it is a useful indication of the size of the market for charity investment management. Based on this total, CCLA has a market share of approximately 9%. Analysing the market in more detail indicates that we have a market share of approximately 25% for charity pooled fund investments.

Whilst the total investments held by charities, adjusted for market movements, do not appear to be growing, there is a trend towards investment in pooled funds out of segregated portfolios. We believe that improved investment outcomes and cost efficiencies are contributing to this trend.

There is also a marked trend away from single asset class funds towards multi asset funds. We believe this results from a recognition that investment management needs to become more sophisticated and global, combined with concerns about the increasing concentration of the UK stock market and uncertainty about long-term domestic economic growth.

The trend towards index tracking that is so dominant in parts of the investment management market is not evident in the charity market. We believe this is largely because most charities are looking for a managed mix of investments rather than a single asset class approach where they take responsibility for asset allocation. In addition, index tracking brings with it reputational concerns, as, whilst an index tracking approach can include ethical restrictions, it inevitably results in investors holding a long tail of investments which are more likely to include companies whose behaviour is contrary to the purposes of many charity investors.

Our public sector clients largely comprise local authorities investing their treasury balances. These balances were approximately £37bn in total as at March 2018 and are broadly unchanged over the past three years. Based on this total, our market share is approximately 3.5%.

Local authority allocations to money market funds and other collective investment schemes rose to £7.1bn from £6.3bn in 2017, continuing the steady increase in this category since 2013 at the expense of bank and building society deposits. The increase in money market funds reflects an increased desire from local authorities for diversification across the banking sector as banking reform legislation seeks to protect individuals at the expense of wholesale depositors.

The increase in bond, equity and property funds reflects continuing financial pressures on local authorities and a recognisation that short-term interest rates will remain low for some time to come.

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

Over the last twelve months, we ran or supported 342 events, of which 183 took place at our offices involving over 3,100 people and 159 took place at various locations throughout the UK. The value of this support is a core KPI, which was in excess of £2m in the year to 31 March 2018.

Our people

The success of CCLA is dependent on the skills and qualities of our staff and their ability to work constructively together to achieve our aims. For them to perform at their best requires a clear sense of corporate purpose and direction, regular and transparent communication and a fair and supportive culture.

We consider that it is very important to engage with our staff as a whole on important matters, and by way of example, during our most recent strategic review all staff were given the opportunity to provide their input. We hold weekly briefings with all staff with the aim of keeping them informed, including, for example a summary of our monthly financial results and net fund flows.

In the year to 31 March 2018, our full time equivalent average headcount was 121, which compares with 110 in the previous year. Unintentional staff turnover (excluding, for example, redundancies, end of fixed term contracts and retirements) is a core KPI, and for the year to 31 March 2018 this was 10%, compared with 5% in the previous year.

Our gender mix as at 31 March 2018 was 53% male and 47% female, an improvement compared with 54% and 46% respectively in the previous year. Our gender pay gap statistics as at 31 March 2018 were as follows:

Mean gender pay gap in hourly pay	28.2%
Median gender pay gap in hourly pay	10.4%
Mean bonus gender pay gap	60.1%
Median bonus gender pay gap	47.5%

All males and females received a bonus payment.

The proportion of males and females in each pay quartile:

	Male	Female
First quartile	70.0%	30.0%
Second quartile	48.3%	51.7%
Third quartile	50.0%	50.0%
Fourth quartile	41.9%	58.1%

We recognise that our gender pay gap is currently too high and are committed to reducing it in the future. Some of the largest contributors to the gap are that currently all the Executive Directors are male and some departments are predominately female. The gender pay gap of the rest of the organisation is much narrower. Our gender pay gap is a core KPI.

Our environmental impact

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

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

During the year to the end of March 2018, client portfolios have been managed in a way that have a carbon footprint, and wider environmental, social and governance ratings, that are substantially lower and better than that of the world stock market indices.

Principal risks and uncertainties

CCLA has a well-developed risk management framework which is regularly reviewed by management and CCLA's Audit Committee. Where possible, we mitigate our risks through management actions and controls and ensure that we have sufficient capital and insurance cover to address unpredictable risks. CCLA has a dedicated Assurance department that provides monitoring and advice to the organisation and we have also appointed Grant Thornton to provide internal audit support.

Many of CCLA's risks are common to most investment management businesses and the principal risks and uncertainties are as follows:

Market risk: The level of asset prices, in particular equities and property, have a direct impact on CCLA's income, and a significant reduction in equity and property markets would result in a material reduction in CCLA's profitability.

Technology risk: financial services technology is constantly evolving, impacting on existing systems and requiring development of new solutions. CCLA is currently implementing a new Transfer Agency system which will replace three of its existing systems and is developing new client reporting solutions. These projects require significant resources in terms of contractors and senior management time.

Regulatory risk: EU financial services legislation and regulatory changes has an impact on CCLA's activities, either directly or through changes to the FCA Handbook. In 2018, the new EU Money Market Fund regulations will require changes to CCLA's systems to ensure that its funds can comply with the requirements.

Volume of regulatory change: There is a significant level of regulatory change which impacts both CCLA and its products. Managing these regulatory changes and complying with ever more complex rules requires a significant level of management attention. Failing to comply with the rules could result in regulatory sanction.

Financial crime: Whilst we believe that our activities are inherently low risk from a financial crime perspective, the large number of clients we look after provides many logistical challenges.

Chairman's Statement

During the year, the Board and shareholders reviewed CCLA's strategy. The review concluded that we were content with our purpose and direction, but that it would be helpful to articulate this more clearly to all stakeholders. As a consequence, we have updated our purpose statement, as set out below, and included more detailed information about our activities in this report.

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

Our staff played an important part in the development of this statement. Of all those interested in CCLA they have the greatest understanding of what we do, our strengths and weaknesses and the part we play in our clients' work. I would like to take this opportunity on behalf of the Board and our shareholders to thank them for their work and commitment, without which we would not be able to operate.

Our major shareholders are also our most important clients. This ensures robust governance for CCLA and our products, but also provides us with long-term stability – one of our most important assets. Stability has given us the time and certainty required to build the right culture, a strong team and the right environment; it will also help us to maintain our progress in the future.

Our role is to help our clients to make the very best of their funds in order that they can maximise the impact of their work. The delivery of strong investment returns is a central component of our role, and I am glad that our flagship investment funds have benefited from another year of outperformance. The extended period of strong returns is satisfying for our investment team, but more importantly means that our clients have significantly more money to help deliver their objectives than would have otherwise been the case.

Over the last twelve months we have also seen a further increase in the number of charities and public sector organisations we look after. The management of their funds provides us with greater resources that enables us to improve what we do for our clients. We are currently in the midst of some very significant developments of our internal infrastructure. We are taking great care to ensure that these developments do not have an adverse impact on our ability to serve the day-to-day needs of our clients or on the wellbeing of our staff.

We have retained our commitment to look after clients of all shapes and sizes, and in particular the very smallest charities. A good part of our infrastructure and cost base results from the size of our client base, but as well as being part of our core purpose, we recognise the great contribution that this army of small charities make to their local communities.

Whilst the purpose statement does not have any specific reference to our financial position and progress, financial success is a crucial component of our ability to attract and retain the best staff and deliver attractive products and services to our clients. The year to 31 March 2018 saw a further strong increase in our underlying profitability and capital position, providing us with increasing confidence that we will be able to continue our work unhindered even in difficult market conditions.

The Board is resolute that effective succession planning and execution is a critical component of the successful evolution of CCLA. In this regard, there are two Board changes that I wanted to cover. Richard Williams, who is the CBF Funds Trustee representative on the CCLA Board has retired as Chairman of the trustees and also as a CCLA Non-Executive Director. He is being replaced on the CCLA Board by Christine Johnson. Richard has been on the CCLA Board for eight years, during which time he has been a very effective non-executive providing a good balance of challenge and support for the Board and Executive team. Like Richard, Christine is an investment professional experienced in the broad span of investment management activities, and we look forward to her contribution in the future.

Adrian McMillan will be retiring as Chief Operating Officer in November. We are pleased that we have been able to appoint his successor internally, and Liz Sheldon will become our new Chief Operating Officer and an Executive Director of CCLA on his retirement. Adrian has been responsible for significant improvements and developments of our support functions and has played a very positive role as a member of the senior management team. Liz is currently Head of Change and has been with CCLA for over six years. She has a deep understanding of our culture, business and products and we look forward to the contribution that she will make as a member of the senior management team. I wanted to thank Adrian for the significant part that he has played in managing his succession smoothly.

The market environment for all investment managers, including CCLA, has been benign over the last few years, and the longer the current bull market lasts, the more likely it is that we will experience more difficult conditions. However, CCLA is in a strong position to weather an extended period of market weakness without impacting our ability to look after our clients.

The process of reviewing our strategy has been a very positive experience for all concerned and has enabled us to reconfirm our commitment to the sectors we serve. The Board believes that CCLA is in a strong position to deliver on our purpose and remains confident about the future.

Richard Horlick
Chairman
11 July 2018

Chief Executive's Review

Whilst our strategic review has confirmed our purpose and direction, we continue to develop and change how we operate in all areas. The primary reason for this is to improve how we deliver our purpose but it is also driven by the ever-rising tide of regulation.

One of the most wide-ranging areas of change is in our operating infrastructure. The process of bringing in HSBC as our third-party administrator has taken some time to settle down, but is now working very well. Combined with a strengthening of our internal oversight functions, our investment accounting and administration is very robust. As a further development of our infrastructure, we are currently in the midst of introducing new transfer agency and data management systems. These will replace systems that are relatively inflexible, inefficient and are approaching the end of their useful lives. The new systems will be introduced in phases: the first phases will be at the end of calendar 2018, and the rest during 2019. The combination of our investment administration platform, these new systems and a strong internal team will significantly improve our capacity to look after and report to all our clients, both large and small.

In addition to these changes to our systems, we are improving the quality of the information we hold about our clients and recording it in a more uniform manner. This will improve the experience for clients and enable us to meet our regulatory obligations more efficiently.

To ensure that these developments do not impact on the day to day relationship with our clients, we are taking on extra staff and contractors. This will temporarily swell our headcount and cost base before reverting to its long-term trend at the end of calendar 2019. Our strong financial position both in terms of profitability and capital ensures that finances are no constraint to resourcing these projects properly.

We are resolutely an investment driven organisation, recognising that however good our image and presentation, it is consistent long-term performance that really matters to clients. We have a clear team-based approach with an emphasis on quality and growth in our security selection which is common to all our client funds. Our pooled Investment Funds, which represent nearly half of our funds under management, provide us with the capacity to fully express our approach. These funds have performed well, outperforming their comparators and most competitors for many years. With a total of 17,100 investors in these funds, it is incumbent on us, under the close oversight of the fund boards, to strike the right balance between risk and reward, distributions and capital growth. We also evolve our approach in the light of market valuations and economic prospects with the aim of ensuring that we are well placed to deliver a strong risk adjusted overall return. We recognise that the current bull market is becoming long in the tooth and our decision making in relation to individual securities and portfolio construction is responding accordingly.

The net flow of new long-term client funds has been £2.17bn over the last five financial years, a 67% increase on our long-term funds at the beginning of that period. This consistent and significant growth has required investment and development in all areas. As well as requiring more people to look after our clients, we have also improved our processes and infrastructure to support our ability to assess current and prospective client requirements and the quality of our interaction with them. We are also taking care to bring in new resources in well ahead of forthcoming retirements so that our client experience is not adversely impacted by the natural passing of time.

Our ability to deliver for our clients depends upon the quality of our people, their ability to work well together and our ability to hire new people as our business grows. We have a head start in that the staff we want to hire enjoy providing services to charities and the public sector. However, we also need to pay reasonably competitive remuneration and provide a working environment that is stable, enjoyable and brings out their best skills. This requires constant attention, and in particular a strong emphasis on communication and transparency.

In these accounts we have identified key performance indicators as measures of how well we are operating in accordance with our purpose. These will be regularly reviewed and developed by the Board and executive team.

For CCLA, as with most investment managers, the introduction of the second Markets in Financial Instruments Directive (Mifid II) and Packaged Retail and Insurance based Investment Products (PRIIPs) regulation caused significant numbers of changes in the way that we work and report to clients. These include the introduction of Key Information Documents (KIDs) for all our products and the unbundling of research costs from execution commissions. We recognise the good intentions that lay behind the introduction of the KIDs in comparing products, but share many commentators' concerns about the misleading impression they may give investors about future returns. Our approach to the unbundling of research costs has been to pay for research ourselves and as a result the last quarter of our financial year includes provision for these costs. We welcome this increase in transparency and the greater flexibility it provides us with selecting providers of research input.

The new money market fund rules, approved by the EU last year, will apply from 21 January 2019, and we are taking steps to manage the impact these rules will have on our funds. Some of these impacts are still uncertain, but will become clear in the coming months.

The development of CCLA over the last five years has left us in a strong position, and the initiatives already in train will further enhance our capability. Whilst it is inevitable that the future will present us with a regular flow of new challenges, we are confident that CCLA will continue to deliver the products and services that our clients value.

Michael Quicke
Chief Executive
11 July 2018

Directors' Report

The Directors submit their report and audited consolidated financial statements for the year ended 31 March 2018. The consolidated financial statements for CCLA include the results of the Company and its wholly-owned subsidiary, CCLA Fund Managers Limited ('CCLA FM').

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

Going concern

After making enquiries that include reviewing the budget and business plans, the Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Dividends

Distributions of £2,179,233 and £148,500 were declared on 2 October 2017 and paid on 1 November 2017 on 242,137 Ordinary and 4,950,000 'P' Ordinary shares respectively in this financial year (2017: £1,447,812 and £148,500 on 241,302 Ordinary and 4,950,000 'P' Ordinary shares respectively).

Share capital

The Company's issued share capital increased by 835 (2017: 4,495) shares during the year due to the purchase of shares by four Executive Directors under a Long Term Incentive Plan, as explained in note 14. These shares were issued at a net share premium of £111,000 (2017: £509,000).

Qualifying Third Party Indemnity Provision

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

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

FCA Remuneration Code Disclosures

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

Directors

Biographical details of the Directors are shown on pages 25 to 27. The Directors of the Company who served throughout the year and up to the date of signing were:

* Richard Horlick – Chairman (and Chairman of the Remuneration Committee)
* Christine Johnson [a] [1]
* Rosemary Norris [a]
* Trevor Salmon [a]
* John Tattersall [a] (Chairman of the Audit Committee)
* Richard Williams [a] [1]

Michael Quicke – Chief Executive
James Bevan – Chief Investment Officer
Adrian McMillan – Chief Operating Officer
Andrew Robinson – Director, Market Development

[1] Richard Williams a Non-Executive Director resigned on 21 May 2018 and Christine Johnson was appointed as a Non-Executive Director on 21 May 2018
* Non-Executive Directors. All Non-Executive Directors are members of the Remuneration Committee
[a] Member of the Audit Committee

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

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

On 1 June 2017, four Executive Directors purchased 835 new Ordinary shares in CCLA, representing 0.34% of the enlarged share capital.

In addition, 122 shares belonging to Colin Peters, a former Director, were purchased by the four Executive Directors. Mr Peters retired from CCLA on 25 June 2015 and in accordance with the Good Leaver provisions in the Articles of Association, Mr Peters is permitted to retain his shares for up to five years after retirement.

Directors (continued)

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

	Holding as at 31 March 2018 Ordinary shares £1 each	Holding as at 31 March 2017 Ordinary shares £1 each
Michael Quicke	7,832	7,430
James Bevan	5,000	4,760
Andrew Robinson	5,000	4,760
Adrian McMillan	4,475	4,400
Colin Peters (former Director)	3,163	3,285
Total	**25,470**	**24,635**

The revised ownership structure of CCLA at 31 March 2018 was as follows:

Shareholder	Holding as at 31 March 2018 Ordinary shares £1 each	Interest in Ordinary shares
The CBF Church of England Investment Fund	130,000	53.69%
COIF Charities Investment Fund	54,167	22.37%
The Local Authorities' Mutual Investment Trust (LAMIT)	32,500	13.42%
Current and former Executive Directors	25,470	10.52%
Total	**242,137**	**100.00%**

As at 31 March 2018, there were 5,500,000 £1 'P' Ordinary shares authorised of which 4,950,000 were issued. The ownership structure was as follows:

	Holding as at 31 March 2018 'P' Ordinary shares £1 each	Holding as at 31 March 2017 'P' Ordinary shares £1 each
The CBF Church of England Investment Fund	1,417,000	1,417,000
COIF Charities Investment Fund	3,533,000	3,533,000

Employees
Details of the Company's employment policies can be found on pages 33 to 34 in the Corporate Governance Report.

Charitable Donations
During the year the Company made charitable donations of £2,040 (2017: £2,418) which were paid either as part of CCLA's policy to match the amount a staff member raises for a sponsored event up to £250 per staff member per year, or as voluntary Church Rates. This does not include other forms of support to organisations listed on page 65, as highlighted on page 12.

Statement of Directors' responsibilities in respect of the financial statements
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

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

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

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

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

Financial risk management (audited)
The Group's activities expose it to a variety of financial risks that include the effect of:

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

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

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

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

Independent Auditors

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

Pillar 3 disclosures

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

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

Jackie Fox
Company Secretary
11 July 2018

Board Profiles

Non-Executive Directors

Richard Horlick – Chairman
Richard has 35 years investment management experience in both the UK and the US. After spending three years in Corporate Finance at Samuel Montagu & Co, Richard joined Newton Investment Management Ltd in 1984 as Director of Pension Portfolios. In 1994, Richard became President of Institutional Business at Fidelity International Ltd (UK) until 2001, where he was made Chief Executive and President of Fidelity Management Trust Co, the Trust Bank of the Fidelity Mutual Funds in the US and the US institutional business. He then became a main Board Director of Schroders plc following his appointment as Chief Executive of Schroder Investment Management Ltd from 2002 to 2005. Richard has held previous Non-Executive Director roles with Pensato Capital LLP, Tau Capital plc and Pacific Assets Trust plc and has recently stepped down as a member of the Investment Committee at Pembroke College, Cambridge. Richard is currently a Senior Advisor for Tau Capital plc. Richard was appointed a Non-Executive Director and Chairman of CCLA from 1 January 2017.

Christine Johnson (appointed 8 June 2018)
Christine was the Senior Fund Manager and Head of Fixed Income at Old Mutual Global Investors until 2017. Previous fund manager appointments include HSBC and Investec. Christine was appointed as a Trustee Director to the CBF Funds Trustee Board in November 2017. She joined the Board of CCLA as a Non-Executive Director in June 2018.

Rosemary Norris
Rosemary has over 30 years investment management experience across institutional, private clients and charities and now advises family offices. Previous roles include Chief Investment Officer at Gerrard Vivian Gray and Director managing institutional funds at Schroders and Mercury Asset Management. She became Chair of the COIF Charity Funds in April 2015 and was appointed a Non-Executive Director of CCLA in November 2015. She maintains a number of portfolio interests. Within the Charity sector, she is a Trustee and member of the Investment and Finance Advisory Committees of the RNLI and a Trustee and Chair of the Endowment at Buttle UK. Outside the sector, she has an advisory role at Aravis LLP and Inflection Point Investments. She holds an MSc in Business Management from the London Business School Sloan Programme (with electives in Ethics and Corporate Governance) and received an M.A. from Cambridge University in History.

Non-Executive Directors (continued)

Trevor Salmon OBE
Trevor retired in 2010 as Deputy Chief Executive and Director of Corporate Services in Belfast City Council, a post he had held since 2004. He is a past Chairman of the Chartered Institute of Public Finance and Accountancy in Northern Ireland. He is a financial member of the appeals service in Northern Ireland and a lay member of the solicitors Disciplinary Tribunal. In 2005 Trevor became UK president of the Association of Accounting Technicians. Between 1989 and 2009 he was a General Commissioner of Income Tax. In 2009 he was appointed Chairman of NILGOSC, the Local Government Pension Fund for Northern Ireland. In 2008 he was awarded the OBE in the New Year's honours list for his services to local government. He joined LAMIT as a Trustee Director in December 2009 and was appointed the Chairman on 8 February 2011. He was appointed a Non-Executive Director of CCLA in 2011.

John Tattersall
John worked for 34 years for PwC specialising in the financial services sector. Rising to partner, he took particular responsibility for the establishment of the firm's financial services regulatory practice and in this period worked with a range of UK regulators. His influence on the sector has been significant and in 2008 he received the accolade 'Compliance Personality of the Decade' awarded by Complinet. After retiring from PwC in 2009 he worked as a member of the Implementation Advisory Group, established to advise the Government on reform of financial services regulation and later on the Government's Equitable Life Payments Commission. He has also served as Chair of the Gibraltar Financial Services Commission. He is currently Chairman of UK Asset Resolution (incorporating Bradford and Bingley plc and NRAM Limited) and of UBS Limited. In 2014 John was appointed Chair of The Oxford Diocesan Board of Finance and also Chair of Retail Charity Bonds plc. He was ordained as a non-stipendiary minister in the Church of England in 2007. He is a trustee of a number of charities including The Royal Foundation of St Katharine, where he is Chairman of the Court, St. Augustine's College of Theology, where he is Vice Chair of Council and the Community of St Anselm. He was appointed as a Non-Executive Director of CCLA in 2011.

Richard Williams (retired 8 June 2018)
Richard is the Chief Investment Officer at Railpen (Railway Pension Investments Ltd) and is on the Investment Committees of The Health Foundation and Nestle UK Pension Fund. He is a Fellow of the Institute and Faculty of Actuaries and has spent most of his career as an investment manager. Previous roles were Chief Investment Officer at Fischer Francis Trees & Watts and a principal at BlueCrest Capital Management (UK) LLP. Richard was appointed as a trustee director to the CBF Funds Trustee Board in October 2006 and in March 2014 became Chairman. He joined the board of CCLA as a Non-Executive Director in 2010.

Executive Directors

Michael Quicke OBE – Chief Executive
Before joining the Company Michael was the Chief Executive of Leopold Joseph Holdings PLC, the private banking and asset management group which was quoted on the London Stock Exchange. Until September 2012, he was a Trustee of the National Trust and Chairman of its Audit Committee. Michael was awarded an OBE for his services to national heritage in 2013. He was appointed an Executive Director and Chief Executive of CCLA in 2006.

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

Adrian McMillan – Chief Operating Officer
Having trained to become a Chartered Accountant with KPMG and after two years in industry, Adrian joined Baring Brothers in 1989 where he spent ten years in its Corporate Finance Advisory team. He was a founder partner and Finance Director of Oriel Securities Limited from 2002 to 2011. Before joining the Company, Adrian was Chief Operating Officer of Hawkpoint Partners Limited. He was appointed an Executive Director of CCLA in 2013.

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

Corporate Governance Report

The Company is not required to comply with the Combined Code on Corporate Governance published by the Financial Reporting Council, but, in view of its support for good corporate governance, has decided to include those aspects of the Combined Code which it believes to be relevant. This report describes the policies and arrangements in place by the Company for the year ended 31 March 2018.

Board of Directors

At 31 March 2018, the Board comprised four Executive and five Non-Executive Directors. The Board is responsible for the direction of the Company's and the Group's business, its strategy and overall financial management and acts in accordance with the Schedule of Matters Reserved for the Board as adopted by the Board.

The Board met formally four times in the year ended 31 March 2018. In addition, the Executive Directors regularly meet to review matters relating to the day to day management of the Company.

The three major shareholders each appoint a Non-Executive Director under the terms of the Company's Articles of Association and are therefore not independent. In addition, there are two independent Non-Executive Directors.

The Executive Directors are appointed by the Board. The Executive Directors' contracts of employment include notice periods of between six and twelve months on either side.

The CCLA Board Diversity Policy is detailed below. CCLA undertakes regular reviews of its succession plans.

Board Diversity Policy

The CCLA Board comprises Executive and Non-Executive Directors including three shareholder representatives. Having taken into account the wishes of shareholders, Directors are appointed based on merit, measured against objective criteria and the skills and experience the individual can bring to the Board.

The CCLA Directors agree that boards perform best when they include people with a diverse range of skills, perspectives and backgrounds. At CCLA, these differences are considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The retirement of Richard Williams and the appointment of Christine Johnson as the CBF representative on the CCLA Board, together with the prospective appointment of Elizabeth Sheldon on Adrian McMillan's retirement in November 2018 means that, by the end of 2018, a third of CCLA's directors will be women.

Board and Committee attendance

	CCLA Board Meetings held: 4 Attendance:	Audit Committee Meetings held: 2 Attendance:	Remuneration Committee Meetings held: 1 Attendance:
Richard Horlick	4	2	1
Rosemary Norris	3	1	1
Trevor Salmon	4	2	1
John Tattersall	4	2	1
Richard Williams	4	2	1
Michael Quicke	4	2	1
James Bevan	4		
Adrian McMillan	4	2	
Andrew Robinson	4		

Share ownership

The Ordinary shares are owned by The CBF Church of England Investment Fund, the COIF Charities Investment Fund, LAMIT and the Executive Directors as detailed on page 59.

The non-voting Ordinary shares are owned by the COIF Charities Investment Fund.

The 'P' Ordinary shares (non-voting) are owned by The CBF Church of England Investment Fund and the COIF Charities Investment Fund.

Audit Committee

The Audit Committee meets at least twice a year and its membership is the Non-Executive Directors of CCLA excluding the Chairman of the Company, who attends by invitation. The Chairman of the Audit Committee is John Tattersall.

The duties of the Audit Committee are to:

- review the annual financial statements of the Company;
- perform oversight of principal risks;
- monitor and review annually the terms of appointment and remuneration of the external Auditors and their independence;
- monitor the engagement of the external Auditors to supply non-audit services;
- receive regular reports from the Head of Assurance;
- receive a summary of major issues from compliance and internal audit work and to review the internal audit function;

Audit Committee (continued)

- review the processes for ensuring the appropriateness and effectiveness of the Company's internal controls and risk management systems; and
- report the Audit Committee's proceedings and any recommendations it may make to the Board of Directors.

The Audit Committee also receives a report from the Company's external Auditors, PricewaterhouseCoopers LLP and has the opportunity for a discussion with the Auditors at least once a year without Executive Management present.

The Audit Committee received and reviewed a statement from PricewaterhouseCoopers LLP regarding the independence of the audit team.

Remuneration Committee

The Remuneration Committee's membership comprises the Non-Executive Directors and it is chaired by Richard Horlick. The Committee develops CCLA's Remuneration Policy and Remuneration Philosophy for approval by the Board.

The Committee has delegated responsibility from the Board for the determination of the terms and conditions of employment, pay and benefits of each of the Executive Directors and the Head of Assurance in a manner that is consistent with the Policy and Philosophy.

The Committee approves major changes in employee remuneration, incentive and benefits structures and reviews the process for setting the remuneration for all staff, to gain assurance that it is consistent with the Policy and Philosophy.

Executive Committee

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

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

Internal control

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

- Non-Executive Directors, Executive Directors and Departmental Managers;
- management and financial controls;
- operational controls, including authorisation limits and segregation of duties;
- documented procedures and operations manuals;
- an operational risk management framework embedded throughout the business;
- a staff training and competence regime;
- compliance and internal audit monitoring and reporting;
- an independent investment risk function;
- information system security;
- change management protocols;
- monitoring of outsourced service providers; and
- business continuity arrangements.

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

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

Operational risk management

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

Operational risk management (continued)
An Assurance Committee has been established by the Executive Directors, which meets quarterly and is chaired by the Chief Executive. Its purpose is to review and monitor the adequacy of CCLA's Compliance, Internal Audit, Investment Risk and Operational Risk management and control arrangements.

The Committee reviews the key (high and borderline) operational risks facing the Company and receives regular risk management reports setting out the status of each of these risks. The Committee also reviews the results of the Company's Compliance and Internal Audit Monitoring programmes, and the work of the investment risk function.

The Group and Company has an operational risk management process which is embedded within the business. The system is designed to provide a consistent methodology for the identification, assessment, mitigation and reporting of risks, and to ensure a high quality of risk management and control in all areas of the Company. Departmental Managers are responsible for the identification and management of risks, largely operational, reputational and regulatory, arising in their respective areas of responsibility. Positive assurance as to the status of their risks and management of them is obtained from Business Managers on a regular basis. Any issues giving rise to concern are discussed and resolved with the relevant Business Manager.

Formal risk management reports are considered at Executive, Assurance and Audit Committee meetings, as well as at Board Meetings.

Disaster recovery and business continuity
A Disaster Recovery and Business Continuity Committee has been established by the Executive Directors to ensure that appropriate arrangements are in place for business continuity. This includes documented business recovery plans and periodic testing. The Disaster Recovery and Business Continuity Committee consists of a number of senior employees from departments throughout the Company and meets regularly to review and update procedures and review resources available.

Directors' Remuneration Report
This report describes the Company's overall remuneration policy and the compensation arrangements for Directors for the year ended 31 March 2018.

Remuneration philosophy, policy and compensation arrangements
Remuneration for CCLA staff should be reasonably competitive compared with the market, with the aim of being able to hire and retain the best people. We will regularly benchmark remuneration levels against those being paid in the market as a whole. There will not be a mechanical link between individual quantitative targets and remuneration. Individual remuneration will depend upon the broad success of the individual, team and organisation in achieving CCLA's short and long-term objectives. We seek to have a good balance between fixed and variable remuneration, bearing in mind the nature of the role. We will defer part of the bonus for the most highly paid members of staff. We will ensure that our benefits are reasonably competitive.

Remuneration philosophy, policy and compensation arrangements (continued)
The Board and Remuneration Committee set the context and high level limits for the annual remuneration review and specifically approves the remuneration level for the Executive Directors and Head of Assurance. Remuneration for the rest of the staff will be set by the Executive Directors with oversight by the Remuneration Committee. No individual has the ability to set their own remuneration.

Directors' remuneration and fees (audited)
Fees for the Non-Executive Directors are determined annually by the Board having regard to both the level of fees payable to Non-Executive Directors generally in the industry and to their responsibilities. For the year ended 31 March 2018 the Non-Executive Directors' fees were set at £55,000 p.a. for the Chairman (2017: £46,500 p.a.), £34,000 p.a. for the Chairman of the Audit Committee (2017: £28,800 p.a.) and £30,000 p.a. for the other Non-Executive Directors (2017: £24,700 p.a.).

Two Executive Directors participated in the Group Personal Pension Scheme provided by Legal and General. Details of this Scheme are set out in notes 1(f) and 5 of the notes to the financial statements. No Directors participated in other schemes (2017: nil).

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

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

	2018 £'000	2017 £'000
Emoluments paid to Executive Directors	1,897	1,813
Emoluments paid to Non-Executive Directors	179	149
Company pension scheme contributions in respect of Directors	50	66

The highest paid Director received remuneration, excluding pension contribution, of £738,212 (2017: £680,452). Pension contributions were £nil (2017: £nil). At the year-end £nil (2017: £2,632) was payable to a pension scheme in respect of Directors. During the year four (2017: four) Directors participated in the Long Term Incentive Plan. Note 18 contains details of the plan.

Employee Policies

Equal opportunities

CCLA is an equal opportunities employer and opposes all forms of discrimination including on the grounds of sex, marital status, age, sexual orientation, gender reassignment, colour, race, nationality, religion and belief, ethnic or national origin, pregnancy, maternity leave or disability. It is in the Company's best interests to ensure that all the talents and skills available are considered when employment opportunities arise. We take every practicable step to ensure that individuals are treated equally and fairly and that decisions on recruitment, selection, training, conditions of work, promotion, career management and every other aspect of employment are based solely on objective and job-related criteria.

Learning and development

CCLA operates in a competitive and changing environment. The staff are highly competent, skilled and knowledgeable and we support them in meeting our business objectives. Learning and development at CCLA is a continuous and important process which enables individuals to perform their current jobs more effectively, understand regulatory changes and take on new responsibilities to achieve their own aspirations and contribute to CCLA's continuing success.

Communication and consultation

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

Health, safety and security

CCLA undertakes its commitment to health, safety, welfare and security seriously and reviews its processes, policies, procedures and specific training on an ongoing basis and in accordance with legislation, industry standards, best practice and the operational needs of the organisation.

Jackie Fox
Company Secretary
11 July 2018

Independent Auditors' Report

to the members of CCLA Investment Management Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2018 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the 'Annual Report'), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2018; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company'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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

Based on 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.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 22, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 July 2018

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

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Turnover	*3*	35,097	29,908
Administrative expenses	*4*	(26,003)	(22,529)
Operating profit before exceptional items		**9,094**	**7,379**
Exceptional items:			
Defined benefit pension scheme charge	*6*	(1,399)	–
Project costs	*6*	(657)	(642)
Operating profit		**7,038**	**6,737**
Interest receivable and similar income		88	86
Profit before taxation		**7,126**	**6,823**
Tax on profit	7	(1,542)	(1,488)
Profit for the financial year		**5,584**	**5,335**

The notes on pages 45 to 62 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2018

		2018		2017	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	*8*		381		13
Tangible assets	*8*		610		617
			991		630
Current assets					
Debtors	*9*	6,108		5,220	
Cash at bank and in hand	*11*	11,595		8,782	
Cash equivalents	*12*	19,839		16,779	
		37,542		30,781	
Creditors	*13*	9,359		6,211	
Net current assets			28,183		24,570
Total assets less current liabilities			29,174		25,200
Net assets			**29,174**		**25,200**
Capital and reserves					
Called up share capital	*14*		5,192		5,191
Share premium account			1,594		1,484
Other reserves			897		333
Profit and loss account			21,491		18,192
Total equity			**29,174**		**25,200**

The notes on pages 45 to 62 form part of these financial statements.

These financial statements on pages 39 to 62 were approved and authorised for issue by the Board of Directors on 11 July 2018 and signed on its behalf by:

Richard Horlick
Chairman

Michael Quicke
Chief Executive

Registered number: 02183088

Company Statement of Financial Position

as at 31 March 2018

		2018		2017	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Subsidiary undertaking	*19*		2,700		2,700
Intangible assets	*8*		381		13
Tangible assets	*8*		610		617
			3,691		3,330
Current assets					
Debtors	*9*	4,834		5,010	
Cash at bank and in hand	*11*	7,039		4,913	
Cash equivalents	*12*	13,741		11,199	
		25,614		21,122	
Creditors: amounts falling due within one year	*13*	8,176		5,070	
Net current assets			17,438		16,052
Total assets less current liabilities			21,129		19,382
Net assets			**21,129**		**19,382**
Capital and reserves					
Called up share capital	*14*		5,192		5,191
Share premium account			1,594		1,484
Other reserves			897		333
Profit and loss account			13,446		12,374
Total equity			**21,129**		**19,382**

The Company has elected to take the exemption under s408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The profit for the Company for the year was £3,357,000 (2017: £2,120,000).

The notes on pages 45 to 62 form part of these financial statements.

These financial statements on pages 39 to 62 were approved and authorised for issue by the Board of Directors on 11 July 2018 and signed on its behalf by:

Richard Horlick
Chairman

Michael Quicke
Chief Executive

Registered number: 02183088

Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

	Ordinary share capital £'000	Share premium account £'000	'P' Ordinary shares £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2016	**237**	**975**	**4,950**	**14,453**	**–**	**20,615**
Profit for the financial year	**–**	**–**	**–**	**5,335**	**–**	**5,335**
Issuance of shares	4	509	–	–	–	513
Equity dividends paid	–	–	–	(1,596)	–	(1,596)
Amortisation of equity-settled awards	–	–	–	–	333	333
Transactions with shareholders, recognised directly in equity	**4**	**509**	**–**	**(1,596)**	**333**	**(750)**
Balance as at 31 March 2017	**241**	**1,484**	**4,950**	**18,192**	**333**	**25,200**
Profit for the financial year	**–**	**–**	**–**	**5,584**	**–**	**5,584**
Issuance of shares	1	110	–	–	–	111
Equity dividends paid	–	–	–	(2,328)	–	(2,328)
Amortisation of equity-settled awards	–	–	–	–	564	564
Tax movement relating to equity-settled awards	–	–	–	43	–	43
Transactions with shareholders, recognised directly in equity	**1**	**110**	**–**	**(2,285)**	**564**	**(1,610)**
Balance as at 31 March 2018	**242**	**1,594**	**4,950**	**21,491**	**897**	**29,174**

The notes on pages 45 to 62 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 March 2018

	Ordinary share capital £'000	Share premium account £'000	'P' Ordinary shares £'000	Profit and loss account £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2016	**237**	**975**	**4,950**	**11,850**	**–**	**18,012**
Profit for the financial year	**–**	**–**	**–**	**2,120**	**–**	**2,120**
Issuance of shares	4	509	–	–	–	513
Equity dividends paid	–	–	–	(1,596)	–	(1,596)
Amortisation of equity-settled awards	–	–	–	–	333	333
Transactions with shareholders, recognised directly in equity	**4**	**509**	**–**	**(1,596)**	**333**	**(750)**
Balance as at 31 March 2017	**241**	**1,484**	**4,950**	**12,374**	**333**	**19,382**
Profit for the financial year	**–**	**–**	**–**	**3,357**	**–**	**3,357**
Issuance of shares	1	110	–	–	–	111
Equity dividends paid	–	–	–	(2,328)	–	(2,328)
Amortisation of equity-settled awards	–	–	–	–	564	564
Tax movement relating to equity-settled awards	–	–	–	43	–	43
Transactions with shareholders, recognised directly in equity	**1**	**110**	**–**	**(2,285)**	**564**	**674**
Balance as at 31 March 2018	**242**	**1,594**	**4,950**	**13,446**	**897**	**21,129**

The notes on pages 45 to 62 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Net cash from operating activities	*16*	10,829	6,544
Corporation tax paid		(2,235)	(1,227)
Net cash generated from operating activities		**8,594**	**5,317**
Cash flows from investing activities			
Purchases of intangible assets	*8*	(381)	(5)
Purchases of tangible assets	*8*	(211)	(149)
Interest received		88	86
Net cash generated (used in)/from investing activities		**(504)**	**(68)**
Cash flows from financing activities			
Proceeds from issue of Ordinary shares	*14*	111	513
Dividends paid	*15*	(2,328)	(1,596)
Net cash used in financing activities		**(2,217)**	**(1,083)**
Net increase in cash at bank and in hand		**5,873**	**4,166**
Cash and cash equivalents at the beginning of the year		25,561	21,395
Cash and cash equivalents at the end of the year		**31,434**	**25,561**
Cash and cash equivalents consist of:			
Cash at bank and in hand	*11*	11,595	8,782
Cash equivalents	*12*	19,839	16,779
Cash and cash equivalents		**31,434**	**25,561**

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

The notes on pages 45 to 62 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2018

1. Accounting policies

(a) Basis of accounting

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

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

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual statement of comprehensive income.

(b) Turnover

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

(c) Administrative expenses

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

(d) Interest income

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

(e) Fixed assets

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

Notes to the Financial Statements

for the year ended 31 March 2018

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

(e) Fixed assets (continued)

(i) Intangible Assets – Software

Software – to end of contract (October 2027)

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

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

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

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

(ii) Tangible assets: Leasehold Improvements

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

(iii) Tangible assets: General Equipment

Expected useful life of general equipment is three to five years.

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

Notes to the Financial Statements

for the year ended 31 March 2018

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

(f) Pension schemes

During the year most staff were either members of the Church of England Defined Contribution Scheme ('DCS') or the Group Personal Pension Scheme ('GPP'), which is operated by Legal and General. These are both defined contribution schemes. The Company also has obligations in respect of the Church of England Defined Benefit Scheme ('DBS'), which is closed to future accrual.

(i) Defined contribution pension plans

The GPP covers employees over the age of 18 who earn more than £30,000 per annum. Pension contributions payable by the Company are charged to profit and loss within the statement of comprehensive income as they fall due. The DCS covers employees over the age of 18 who earn less than £30,000 per annum. Pension contributions payable by the Company are charged to profit and loss within the statement of comprehensive income as they fall due.

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

(ii) Multi-employer defined benefit pension scheme

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

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

The Church of England Pensions Board administers both the DBS and the DCS and is independent of the Company and the Company's finances.

Notes to the Financial Statements
for the year ended 31 March 2018

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

(g) Share based payments

(i) Cash-settled awards

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

As at each reporting date, the fair value of the liability which has been accrued to date is included in creditors, and the resulting expense in each period is recognised in the income statement within administrative expenses. The fair value is independently reviewed annually by an independent valuer, taking account of factors including sales, funds under management, and a price/earnings multiple.

(ii) Equity-settled awards

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

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

(h) Taxation

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

Notes to the Financial Statements

for the year ended 31 March 2018

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

(h) Taxation (continued)

(i) Current tax

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

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

(ii) Deferred tax

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

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

(i) Operating leases

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

(j) Basis of consolidation

The Group consolidated financial statements for the year ended 31 March 2018 include the financial statements of the Company and its subsidiary undertaking. A subsidiary is an entity controlled by the Group. Control is exercised when the Company has the power to determine the financial and operating policies of an entity so as to benefit from its activity. All intra-Group transactions, balances, income and expenses are eliminated upon consolidation.

Notes to the Financial Statements

for the year ended 31 March 2018

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

(k) Financial instruments

(i) Basic financial assets and liabilities, including debtors, directors' loans, cash at bank and in hand, cash equivalents and creditors are initially recognised at transaction price. Such assets are subsequently carried at amortised cost.

(l) Investment in subsidiary

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

(m) Exceptional items

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

2. **Critical accounting judgements and estimation uncertainty**

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

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

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

(b) Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements

for the year ended 31 March 2018

3. Turnover

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

	Note	2018 £'000	2017 £'000
Fees from pooled funds	*18*	32,922	27,936
Other fees		2,175	1,972
		35,097	29,908

4. Administrative expenses

	Note	2018 £'000	2017 £'000
Administrative expenses included:			
Staff costs	*5*	17,429	14,874
Other administrative costs		7,759	6,625
Depreciation of tangible assets		218	256
Amortisation of intangible assets		13	115
Operating lease costs for premises		430	468
Auditors remuneration:			
Fees payable to the Company's auditor for the audit of the Company and the Group's consolidated financial statements		35	34
Fees payable to the Company's auditor for other services:			
– Audit of the Company's subsidiary		10	9
– Audit-related assurance services of the Company and the Company's subsidiary		48	48
– Tax compliance services of the Company and the Company's subsidiary		45	50
Foreign exchange		16	10
Amounts written off investments		–	40
		26,003	22,529

Notes to the Financial Statements

for the year ended 31 March 2018

5. Employees and Directors

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

	2018	2017
Administration and Finance	56	45
Investment Management and Research	29	31
Business Development and Client Service	26	24
Company Secretarial and Assurance	10	10
	121	110

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

The costs incurred in respect of these employees were:

	2018 £'000	2017 £'000
Wages and salaries	13,024	11,330
Share-based payments	1,019	604
Social security costs	1,783	1,493
Other pension costs	1,045	869
	16,871	14,296
Other staff costs	558	578
	17,429	14,874

Details of Directors' remuneration can be seen on page 33 within the Directors' Remuneration Report. The Executive Directors and Head of Assurance are considered to be the Group's Key Management Personnel.

Pension costs

Defined Contribution Pension Scheme

During the year, the Company operated two defined contribution pension schemes, the Church of England Defined Contribution Scheme (DCS) and the Group Personal Pension (GPP) operated by Legal and General.

Notes to the Financial Statements

for the year ended 31 March 2018

5. Employees and Directors *(continued)*

Pension costs (continued)

Defined Contribution Pension Scheme (continued)

The cost of contributions payable by the Company to the DCS administered by the Church Workers Pension fund amounted to £105,000 (2017: £67,000). Contributions amounting to £nil (2017: £9,000) were outstanding at the year end. Life assurance costs for this Scheme amounted to £7,000 (2017: £6,000).

The cost of contributions payable by the Company to the GPP amounted to £898,000 (2017: £761,000). Contributions amounting to £nil (2017: £nil) were outstanding at the year end.

Life assurance costs for members outside the Church Workers Pension fund amounted to £31,000 (2017: £28,000).

Defined Benefit Pension Scheme

Until 1 October 2012, some staff participated in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Scheme. The Group now only accounts for annual administration expenses charged from the DBS unless an exceptional expense arises following an actuary's valuation (see below and note 1(f)). Expenses charged amounted to £8,000 in the year to 31 March 2018 (2017: £8,000).

During the year to 31 March 2018, the results of the triennial actuarial valuation for the Company's section of the DBS as at 31 December 2016 was made available to the Company, showing an exceptional expense of £1,399,000. This has been recognised in full during the year (2017: £nil).

The Company and the DBS have agreed to a deficit funding plan, whereby one half of the deficit is paid in April 2018 and the remainder is paid monthly over ten years. The expense of £1,399,000 represents the present value of future contributions.

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

Notes to the Financial Statements

for the year ended 31 March 2018

5. Employees and Directors *(continued)*

Pension costs (continued)

Defined Benefit Pension Scheme (continued)

Information relating to the valuation as at 31 December 2016 is as follows:

Market value of the DBS in total	£378.7m
Market value of the CCLA sub-pool	£10.8m
Market value of the Life Risk Pool	£195m

As at 31 March 2018, the Company's section of the DBS had 51 deferred members, 18 pensioner members, 4 beneficiary members and no active members. As at 31 March 2017, there were 52 deferred members, 20 pensioner members and no active members.

Other Pension costs

The Company incurred other pension costs of £34,000 (2017: £41,000) during the year. These comprised payments into defined contribution pension schemes not administered by the Company.

Share Based Payments

As at 31 March 2016, the Company granted to the Executive Directors deferred bonus awards linked to the total return of CCLA shares over vesting periods. In addition, as 31 March 2017 and 31 March 2018, certain staff were granted deferred bonus awards linked to the performance of CCLA managed funds over vesting periods. All of these awards are due to be settled in cash. The charge for these awards in the year was £620,000 (2017: £310,000), including employer's National Insurance. The liability in respect of these awards is included in accruals. As at 31 March 2018, the liability totalled £1,106,000 (31 March 2017: £544,000), including employer's National Insurance.

As at 31 March 2017, the Company granted to the Executive Directors further deferred bonus awards linked to the total return of CCLA shares over vesting periods. As at 31 March 2018, such awards were granted not only to the Executive Directors but also to certain other staff. These awards are due to be settled in the equity of the Company. The amortisation in respect of these awards is reflected in the Statement of Changes in Equity and shown as Other Reserves. As at 31 March 2018, Other Reserves totalled £897,000 (31 March 2017: £333,000), with a provision of £158,000 (31 March 2017: £46,000) for employer's National Insurance on these awards included as a liability within accruals.

The equity-settled awards have been granted in the form of nil-cost options. During the year to 31 March 2018, options were awarded at the year over the equivalent of 3,708.38 (2017: 4,239.86) shares in the Company and a further 188.51 options were awarded in the year as equivalent awards following the declaration of a dividend (2017: nil). As at 31 March 2018, the total number of options outstanding were 8,136.75 (31 March 2017: 4,239.86). There were no option exercises during the year.

Notes to the Financial Statements

for the year ended 31 March 2018

5. Employees and Directors *(continued)*

Share Based Payments (continued)

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

Annual bonus plan

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

The total charges for cash and deferred bonuses were:

	2018 £'000	2017 £'000
Cash bonuses	4,026	3,587
Deferred bonuses	1,019	604
Total Charge	**5,045**	**4,191**

Short term benefits

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

6. Exceptional items

This comprises two charges as follows:

a) The charge arising from the pension deficit and the recognised in triennial actuarial valuation as described in Note 5 above of £1,399,000 (2017: £nil).

b) This charge for the Group relates to non-recurring project costs of £657,000 (2017: £642,000) arising in relation to costs of upgrading and replacing CCLA's operational processes and infrastructure.

Notes to the Financial Statements

for the year ended 31 March 2018

7. Tax on profit

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

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on the profit for the year	1,995	1,534
Total current tax	1,995	1,534
Deferred tax	(453)	(46)
Total deferred tax	(453)	(46)
Adjustments in respect of prior periods	–	–
Tax on profit on ordinary activities	1,542	1,488

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK and the difference is made up as follows:

	2018 £'000	2017 £'000
Profit before taxation	7,126	6,823
UK corporation taxation on profits at 19% (2017: 20%)	1,353	1,365
Effects of:		
Expenses not deductible for tax purposes	62	81
Pension deficit timing differences	266	–
Depreciation for the year (below)	(65)	(30)
Provisions tax adjustment	251	118
Movements in deferred tax	(453)	(46)
Adjustments in respect of prior periods	128	–
Tax on profit	1,542	1,488

Notes to the Financial Statements

for the year ended 31 March 2018

7. Tax on profit *(continued)*

(b) Deferred tax asset

	2018 £'000	2017 £'000
At beginning of year	405	359
Amounts credited to profit and loss	453	46
Amounts credited to statement of changes in equity	43	–
At end of year	901	405
Deferred tax consists of the following timing differences:		
Accelerated capital allowances	146	284
Other timing differences	811	209
Effects of change in tax rate	(56)	(88)
	901	405

8. Intangible and Tangible Assets

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

Group and Company	Intangible IT Software £'000	Tangible Leasehold Improve-ments £'000	General Equipment £'000	Total Tangible £'000	Total £'000
Cost					
At 1 April 2017	4,020	823	1,580	2,403	6,423
Additions	381	–	211	211	592
Written off	–	–	–	–	–
At 31 March 2018	**4,401**	**823**	**1,791**	**2,614**	**7,015**
Accumulated amortisation/depreciation					
At 1 April 2017	4,007	387	1,399	1,786	5,793
Charge for year	13	96	122	218	231
Written off	–	–	–	–	–
At 31 March 2018	**4,020**	**483**	**1,521**	**2,004**	**6,024**
Net book value					
At 31 March 2017	13	436	181	617	630
At 31 March 2018	**381**	**340**	**270**	**610**	**991**

Notes to the Financial Statements

for the year ended 31 March 2018

9. Debtors

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Trade debtors	3,271	1,497	2,946	1,386
Amounts due from subsidiary undertaking	–	500	–	1,350
Other debtors	57	57	63	63
Deferred tax	901	901	405	405
Prepayments and accrued income	1,022	1,022	884	884
Directors' loan	857	857	922	922
	6,108	4,834	5,220	5,010

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

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

10. Investments

The investment in Worthstone Limited is held at £1 (2017: £1), being cost less impairment, as the fair value cannot be measured reliably.

11. Cash at bank and in hand

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

12. Cash equivalents

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

13. Creditors

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Accruals and deferred income	3,195	3,155	2,118	2,107
Trade creditors	2,008	2,008	344	339
Corporation tax	986	704	795	407
Other taxation and social security	3,170	2,309	2,954	2,217
	9,359	8,176	6,211	5,070

Within accruals and deferred income £643,000 (2017: nil) for both the Group and Company is due over one year. This relates to the exceptional pension cost (see note 5 and 6a).

Notes to the Financial Statements

for the year ended 31 March 2018

14. Called up share capital

Group and Company	2018 £'000	2017 £'000
Authorised:		
440,000 (2017: 440,000) Ordinary shares of £1	440	440
60,000 (2017: 60,000) Ordinary non-voting shares of £1	60	60
5,500,000 (2017: 5,500,000) 'P' Ordinary shares of £1	5,500	5,500
	6,000	6,000

	2018 £'000	2017 £'000
Allotted and fully paid:		
216,137 (2017: 215,302) Ordinary shares of £1	216	215
26,000 (2017: 26,000) Ordinary non-voting shares of £1	26	26
4,950,000 (2017: 4,950,000) 'P' Ordinary shares of £1	4,950	4,950
	5,192	5,191

During the year the Company issued 835 Ordinary shares of £1 (2017: 4,495) in respect of a Long Term Incentive Plan for a net share premium of £110,629 (2017: £508,744). The Company did not issue Ordinary non-voting shares or 'P' Ordinary shares during the year.

Shareholders as at 31 March 2018 were as follows:

130,000 Ordinary shares are owned by The CBF Church of England Investment Fund.
28,167 Ordinary shares are owned by the COIF Charities Investment Fund.
32,500 Ordinary shares are owned by LAMIT.
22,307 Ordinary shares are owned by the current Executive Directors.
3,163 Ordinary shares are owned by a retired Executive Director.
26,000 non-voting Ordinary shares are owned by the COIF Charities Investment Fund.

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

1,417,000 'P' Ordinary shares are owned by The CBF Church of England Investment Fund and 3,533,000 'P' Ordinary shares are owned by the COIF Charities Investment Fund.

It is confirmed that CCLA has no ultimate controlling party.

Notes to the Financial Statements

for the year ended 31 March 2018

15. Equity dividends

	2018 £'000	2017 £'000
Interim Dividend		
'P' Ordinary shares	148	148
£0.03 (2017: £0.03) per £1 share		
Ordinary shares	2,180	1,448
£9.00 (2017: £6.00) per £1 share		
Total dividend paid	2,328	1,596

16. Reconciliation of cash flows from operating activities

	2018 £'000	2017 £'000
Profit for the financial year	5,584	5,335
Interest receivable	(88)	(86)
Tax on profit on ordinary activities	1,542	1,488
Operating profit	7,038	6,737
Depreciation expense	218	256
Amortisation expense	13	115
Increase in creditors	3,388	106
Increase in debtors	(435)	(1,003)
Amortisation of equity settled awards	607	333
Net cash from operating activities	10,829	6,544

17. Commitments

The Group and Company had commitments under operating leases as set out below:

	2018 £'000	2017 £'000
Within one year	560	560
Between one and five years	1,478	2,037
Over five years	–	–
	2,038	2,597

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

Notes to the Financial Statements

for the year ended 31 March 2018

18. Related party transactions

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

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
The Church of England Investment Fund and other CBF Funds	9,927	9,927	8,791	8,791
COIF Charities Investment Fund and other COIF Charity Funds	17,113	–	14,818	–
LAMIT and The Local Authorities Property Fund	5,368	–	4,119	–

The above mentioned related parties are shareholders in the Company.

At the year ended 31 March 2018 there were outstanding related party transactions as follows: £905,000 due to the Group and Company from the CBF Funds (2017: £847,000) and £1,774,000 due to the Group from the COIF Funds (2017: £1,553,000).

Please refer to note 5 and the Directors' remuneration report, pages 32 and 33, for details of Directors' remuneration and key management personnel compensation for the Group.

Loans were made to Executive Directors during the year to assist them in purchasing new Ordinary shares in CCLA as follows:

	Loan and interest due at 1 April 2017 £	**Loans made during the year £**	**Loans repaid during the year £**	**Interest charged during the year £**	**Amortis-ation during the year £**	**Loan due at 31 March 2018 £**
Michael Quicke	367,865	53,688	(21,614)	846	–	400,785
James Bevan	254,734	32,062	(14,767)	584	–	272,613
Andrew Robinson	254,734	32,062	(14,767)	584	–	272,613
Adrian McMillan	386,485	10,037	(20,781)	868	–	376,609
Total	1,263,818	127,849	(71,929)	2,882	–	1,322,620
Amortisation[i]	(341,960)	–	–	–	(123,626)	(465,586)
Total	921,858	127,849	(71,929)	2,882	(123,626)	857,034

[i] 50% of the value of the initial loan values are amortised by CCLA over the five years from the date of issue.

Notes to the Financial Statements

for the year ended 31 March 2018

18. Related party transactions ***(continued)***

Features of these loans to Executive Directors are as follows:

(a) Repayments of 5% of the original loan are made per annum.
(b) The loans carry an interest rate which is variable, based upon published rates.
(c) The loans are not included in Directors' emoluments disclosed on page 33, except for the beneficial interest benefit declared for tax purposes; and any write-off applied to the Directors' loans.

The loans are accounted for: at transaction price on initial recognition; and thereafter at amortised cost using the effective interest method.

19. Subsidiary and related undertakings

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

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

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Investment in subsidiary	–	2,700	–	2,700
	–	2,700	–	2,700

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are set out above in note 18.

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

Longer term trends in performance (unaudited)

Funds under management

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

Years to 31 March	*Funds under management £ million	Net Fund Flows Long-term funds £ million	Cash funds £ million	Total fund flow £ million
2014	4,943	+239	–6	+234
2015	5,674	+457	+5	+462
2016	6,009	+449	–75	+374
2017	7,161	+451	+183	+635
2018	**7,842**	**+587**	**–69**	**+518**

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

Financial performance

Years to 31 March	Turnover £'000	Pre-tax profit before exceptional items £'000	Exceptional non-recurring and one off items £'000	Pre-tax profit/ (loss) £'000	Capital and reserves £'000	Minimum Regulatory capital requirement £'000
2014	19,743	2,556	–	2,556	13,780	3,731
2015	22,196	4,525	–182	4,343	16,739	3,741
2016	26,034	6,020	–313	5,707	20,615	4,267
2017	29,908	7,465	–642	6,823	25,200	4,674
2018	**35,097**	**9,182**	**–2,056**	**7,126**	**29,174**	**5,279**

Longer term trends in performance (unaudited)

Share valuation and dividends per share

CCLA is valued annually as at 30 June based on the results for the previous financial year and the budget for the following year. This share price is used to value the CCLA holding by the CBF Church of England Investment Fund and the COIF Charities Investment Fund. This valuation is also used by the Long Term Incentive Plan and Deferred Bonus Scheme.

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

	Share valuation	Dividend per share
2013	£56.24	£nil
2014	£84.49	£1.50
2015	£114.18	£3.00
2016	£133.49	£6.00
2017	£202.42	£9.00

List of organisations that we have supported during the year

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

ABF – The Soldiers Charity
Advice UK
Aiming for A
Alliance
Association of Chairs
Association of Charitable Foundations
Association of Charitable Organisations
Association of Charity Independent Examiners
Association of Chief Executives of Voluntary Organisations
Association of Chief Officers of Scottish Voluntary Organisations
Association of Church Accountants and Treasurers
Association of English Cathedrals
Association of Provincial Bursars
Banking Futures
Birmingham Women's and Children's Hospital Charity
BlindAid
Bloodwise
Bond
Cambridge Endowment for Research in Finance
CDP
Carbon Limiting Technologies
Caritas Social Action Network
Cathedrals Administration Finance Association
Chartered Institute of Public Finance and Accountancy
Child Bereavement UK
Christian Aid
Church of England
Church Investors Group
Churches Conservation Trust
Citizens UK
Civil Society
County Councils Network
County Officers Forum
District Councils Network
Dominican Friars – England & Scotland
Ecumenical Council for Corporate Responsibility
Ella Forums
Enabling Enterprise
Ethical Investment Advisory Group
Feed the Minds
Honorary Treasurers Forum
Independent Schools Bursars Association
Innovation for Agriculture
Institute for Voluntary Action Research
Institutional Investors Group on Climate Change
Koestler Trust
League of Remembrance
Local Government Association
Local Government Information Unit
Local Trust
London Funders
Meteos
Mission Housing
National Association of British Market Authorities
National Association of Local Councils
National Churches Trust
National Council for Voluntary Organisations
Northern Ireland Local Government Association
Quakers in Britain
Royal Air Force Benevolent Fund
Responsible Finance
Room 151
Royal Naval Benevolent Trust
St Vincent de Paul Society England and Wales
Scottish Charity Finance Group
Scottish Council for Voluntary Organisations
ShareAction
Sheila McKechnie Foundation
Small Change
Society of Local Council Clerks
Society of Municipal Treasurers
Society of Unitary Treasurers
Soldiers Sailors Airmen and Families Association
Switchback
The Engineering Development Trust
The Grand
The Natashas Project
Theos
Together for Short Lives
Together for the Common Good
United Reformed Church
Worthstone
UK Community Foundations
UK Sustainable Investment and Finance Association
Women's Resource Centre
World Merit

Company Information

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

CCLA

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