

COIF CHARITIES GLOBAL EQUITY INCOME FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

Year ended 31 December 2021

CCLA

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*Collectively, these comprise the Manager's Report.

**Audited.

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

Disability Discrimination Act 1995

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

REPORT OF THE BOARD**for the year ended 31 December 2021**

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

Structure and management of the Fund

The Fund is a Common Investment Fund established and regulated by the Scheme dated 30 October 2007 and made under section 24 of the Charities Act 1993, now section 96 of the Charities Act 2011 and amended by written resolutions of the charity trustees of the Fund dated 13 May 2009, 21 July 2014, 22 July 2014, 5 December 2015 and 21 August 2017 (the Scheme). The Fund is managed by the Manager as an unregulated collective investment scheme and as a UK alternative investment fund in accordance with the Financial Conduct Authority Regulations and the Alternative Investment Fund Managers Directive (AIFMD) Legislation.

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

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

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

Investment objective

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

Comparator Benchmark

MSCI™ World Index is the benchmark for the Fund.

Investment policy

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

REPORT OF THE BOARD

for the year ended 31 December 2021

Distribution Policy

The Fund has the capacity to make distributions from both income and capital. The annual rate of distribution is approved by the Board in discussions with the Manager.

Target investors

The Fund is suitable for all of a charity's long-term funds where the charity is looking for a good level of distributions and long-term protection from inflation. The Fund is targeted at investors with an understanding or previous history of investing in similar types of fund, with appropriate levels of risk tolerance and ability to bear loss.

Please note that the Manager is not required to assess the suitability or appropriateness of the Fund against each investor.

Our investors may be either retail or professional clients (both per se and elective).

Review of investment activities and policies of the Fund

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

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

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

The Board evaluates the capability of the Manager (CCLA Fund Managers Limited) and is carefully monitoring its performance, resources and structure following the unexpected departure of the Chief Investment Officer in the second half of 2021. The Manager delegates the performance of its services to the Investment Manager (CCLA Investment Management Limited).

Responsible investment and stewardship

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

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

REPORT OF THE BOARD

for the year ended 31 December 2021

Ethical investment

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

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

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

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

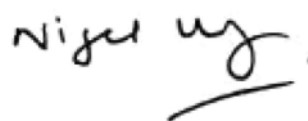
- The ILO Core Labour Standards;
- The UN Guiding Principles on Business and Human Rights; and
- Norms relating to Biodiversity, Toxic Waste and Climate Change disclosure;

are also restricted from investment.

Controls and risk management

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

During the year, the Board, assisted by the Manager, reviewed the Fund's systems of internal controls and risk reporting.



N Morecroft Chair
10 June 2022

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2021

Performance

Over the year the Fund achieved a total return after expenses of 18.80%. This compares with a return of 22.94% on the comparator. The relative underperformance reflects the portfolios' below index exposure to some cyclical and recovery themed stocks which rallied strongly early in the period. As seen in the table below, the Fund's longer term performance history remains strong. As at the 31 December 2021 the Fund had a gross income yield of 2.70% compared with an equivalent yield of 1.66% on the global equity index. The Fund maintains a total return policy on income distributions by which payments to investors can be sourced from both conventional income receipts and sustainable capital gains.

Economic and Investment Market Review

2021 was a year of recovery for the global economy. Activity was supported by accommodative monetary policies, including very low interest rates and quantitative easing programmes, and fiscal spending to support consumer incomes and employment. Growth also benefitted from the gradual reduction in limits on mobility helped by the success of vaccination programmes in reducing transmission rates and the severity of infection. However progress was not smooth, held back, despite the success of vaccinations, by the disruptive effects of further waves of infection and unexpected shortages of key products as manufacturers struggled to support a sudden and substantial increase in demand. Inflation

Annualised total capital and income return

To 31 December 2021	1 year %	5 years % p.a.	10 years % p.a.
Performance against market indices (after expenses)			
COIF Charities Global Equity Income Fund			
Income Units*	18.80	15.55	14.00
Accumulation Units*	18.80	15.56	14.02
Comparator[#]	22.94	12.94	14.71
MSCI World	22.94	12.94	14.24
MSCI UK Investable Market Index	18.66	4.79	7.26
Consumer Price Index (CPI)	5.40	2.47	1.93

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

* Mid to mid plus income re-invested.

Source: CCLA.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2021

pressures increased over the period pushed higher by the effect on prices of goods shortages and higher food and energy costs. Initially central banks viewed the upward pressure on prices as one likely to be both temporary and modest, but signs that the uptrend was becoming more severe and more entrenched changed the rhetoric and, in some cases caused some policy adjustments. Interest rates were increased, notably by the Bank of England, whilst other central banks, including the Federal Reserve in the US, indicated that changes were probable in the period ahead.

Global equity markets rose strongly over the period, buoyed by expectations of higher earnings and the large reservoir of liquidity created by the supportive monetary environment. Sentiment was positive at the start of the year and remained so, allowing the global equity index to provide a total return to a Sterling based investor of 19.63%. Most of the major indices advanced, led by the US where the overall gain was 27.54%. The UK was a strong performer, up by 18.66% as was Europe, 16.73% higher. Gains from Japan were more modest at just 2.65% but Asia was the only area where the outcome was negative. There were some strong performances at the individual country level. In Europe seven indices returned over 20%, Austria, up by 42.72% was the strongest. Asian indices were more mixed, but India ended the year with a 27.31% return.

Strategy

The portfolio is built on a 'bottom-up' basis, that is by selecting companies thought to be attractive rather than by having any pre-set allocations to any sector or region. In the investment environment of 2021 this resulted in a relatively high weighting to companies with robust financial positions and growth prospect which are not dependent on trends in the broad economy. In terms of market exposures, there were relatively high weightings to companies in the technology, and medical sectors and to those related to consumer spending. In contrast there were low weightings to utilities and no holdings in oil and gas producers.

Outlook

We expect further growth in the world economy in the year ahead, although this will be modest relative to the progress seen in 2021. Subsequent to the period under review, Russia invaded Ukraine. In addition to its distressing humanitarian impact the war emerged as a key threat to the pace of economic recovery, compounded by the dampening effects of widespread Covid lockdowns in China and by the intensification of central banks' efforts to control surging inflation. Central banks will still want to sustain growth and may moderate the pace of monetary policy tightening in an attempt to avoid recession, but the direction of travel is unlikely to be reversed. The change in policy focus and the uncertainties it will create mean that market volatility may remain elevated for some time. Equity market valuations can be

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2021

expected to suffer as rising interest rates lead investors to discount more heavily the future corporate earnings which drive current share prices. This effect will be felt most keenly in 'growth' sectors of the market; while 'value' companies including those focused on the production and sale of physical commodities that are currently in short supply may fare relatively well for a period. We expect to continue to focus on good quality companies with secure growth prospects.

J Ayre & C Ryland
Co Heads of Investment
CCLA Fund Managers Limited
9 June 2022

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2021

Top ten changes in portfolio composition

	Cost £'000		Proceeds £'000
Purchases:		Sales:	
Nestle	2,533	The Blackstone Group	2,647
Pepsico	2,452	Xylem	2,093
Universal Music Group	2,215	NextEra Energy	1,866
Abbott Laboratories	2,212	Croda International	1,853
Union Pacific	2,150	Genus	1,817
Ingersoll-Rand	2,124	SAP	1,815
NXP Semiconductors	1,917	Intuitive Surgical	1,769
Verisk Analytics	1,844	Tencent Holdings	1,742
Assa Abloy B	1,787	Kerry Group	1,635
Mastercard	1,775	SGS	1,581

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

Risk warning

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

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

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

REPORT OF THE DEPOSITARY

for the year ended 31 December 2021

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

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

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
9 June 2022

INDEPENDENT AUDITOR'S REPORT

to the Trustees of COIF Charities Global Equity Income Fund

Report on the audit of the financial statements*Opinion*

In our opinion the financial statements of The COIF Charities Global Equity Income Fund ('the Fund'):

- give a true and fair view of the financial position of the Fund as at 31 December 2021 and of the net revenue and the net capital gains on the property of the Fund for the year ended 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Alternative Investment Fund Managers Directive (AIFMD).

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the accounting policies, risk management policies and consolidated individual notes; and
- the distribution tables

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The

Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Charities Act 2011.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT

to the Trustees of COIF Charities Global Equity Income Fund

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of trustees and Manager

As explained more fully in the trustees' responsibilities statement and the Manager's responsibilities statement, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines 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 Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

to the Trustees of COIF Charities Global Equity Income Fund

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Trustees about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Trustees of COIF Charities Global Equity Income Fund

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments.

In response we have:

- obtained understanding of the relevant controls at the administrator over the valuation and existence of investments;
- involved our financial instruments specialists to assess the applied valuation methodologies;
- agreed investment holdings to independent confirmations; and
- agreed investment valuations to reliable independent sources.

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the Trustees of COIF Charities Global Equity Income Fund

*Report on other legal and regulatory requirements**Matters on which we are required to report by exception*

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Fund's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Fund's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Statutory Auditor
Glasgow
10 June 2022

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006

SUMMARY RISK INDICATOR

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



The Manager has classified the COIF Charities Global Equity Income Fund as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level and poor market conditions could impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

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

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

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

COMPARATIVE TABLE

Change in net assets per Unit

	Year to 31.12.2021 pence per Unit	Income Units Year to 31.12.2020 pence per Unit	Year to 31.12.2019 pence per Unit
Opening net asset value per Unit	246.67	207.12	168.09
Return before operating charges*	48.11	48.35	47.45
Operating charges***	(2.20)	(2.11)	(1.86)
Return after operating charges*	45.91	46.24	45.59
Distributions on Income Units	(6.82)	(6.69)	(6.56)
Closing net asset value per Unit	285.76	246.67	207.12
* after direct transaction costs of:	0.13	0.12	0.07

Performance

Return after charges	18.61%	22.33%	27.12%
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Other information

Closing net asset value (£'000)	233,724	190,059	160,658
Closing number of Units	81,790,579	77,050,951	77,568,859
Operating charges**	0.83%	0.95%	0.95%
Direct transaction costs	0.05%	0.05%	0.04%

Prices (pence per Unit)

Highest Unit price (offer)	291.89	250.58	213.16
Lowest Unit price (bid)	238.60	173.85	165.88

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

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period/year. These also include any VAT reclaims received during the year.

*** Operating charges includes VAT reclaims received during the year.

COMPARATIVE TABLE

Change in net assets per Unit

	Accumulation Units		
	Year to 31.12.2021 pence per Unit	Year to 31.12.2020 pence per Unit	Year to 31.12.2019 pence per Unit
Opening net asset value per Unit	441.84	359.97	282.74
Return before operating charges*	87.27	85.58	80.40
Operating charges***	(4.04)	(3.71)	(3.17)
Return after operating charges*	83.23	81.87	77.23
Distributions on Accumulation Units	(4.32)	(4.33)	(4.66)
Retained distributions on Accumulation Units	4.32	4.33	4.66
Closing net asset value per Unit	525.07	441.84	359.97
* after direct transaction costs of:	0.23	0.21	0.12

Performance

Return after charges	18.84%	22.74%	27.31%
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Other information

Closing net asset value (£'000)	10,367	6,751	6,615
Closing number of Units	1,974,309	1,527,985	1,837,606
Operating charges**	0.83%	0.95%	0.95%
Direct transaction costs	0.05%	0.05%	0.04%

Prices (pence per Unit)

Highest Unit price (offer)	533.16	445.76	367.57
Lowest Unit price (bid)	427.39	302.15	279.01

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

** Operating charges comprise the Manager's annual management charge and other expenses, including VAT, but before taking account of rebates, as these only offset charges incurred within the underlying funds. The percentages above reflect these charges divided by average net assets for the period/year. These also include any VAT reclaims received during the year.

*** Operating charges includes VAT reclaims received during the period/year.

OPERATING CHARGES ANALYSIS

for the year ended 31 December 2021

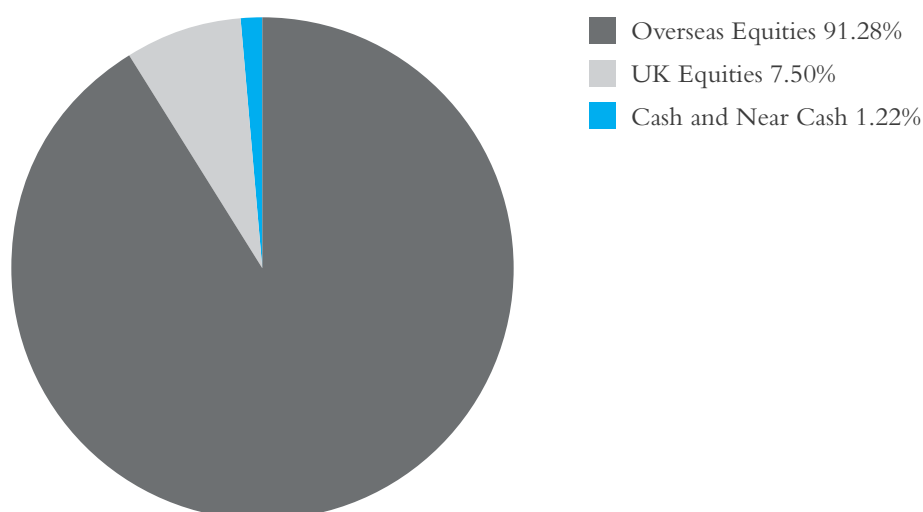
The table below analyses expenses in note 4 to the financial statements. These expenses also represent the total operating charges, which are shown below as a percentage of average net assets of the Fund.

	31.12.2021 %	31.12.2020 %
Manager's annual management charge including VAT	0.80	0.90
Safe custody fees and depositary fee	0.02	0.02
Other expenses	0.01	0.03
Total operating charges	0.83	0.95

PORTFOLIO ANALYSIS

at 31 December 2021

Portfolio Allocation

Breakdown of Overseas Equities
by Geography

North America	64.31%
Developed Europe	17.92%
Asia Pacific ex Japan	7.19%
Other Countries	1.24%
Japan	0.62%
	91.28%

Breakdown of Equities by Sector

Information Technology	23.55%
Health Care	16.33%
Financials	15.14%
Industrials	14.03%
Consumer Discretionary	12.81%
Consumer Staples	8.82%
Communication Services	7.18%
Materials	0.92%
	98.78%

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

PORTFOLIO STATEMENT

at 31 December 2021

	Holding	Fair value £'000	% of total net assets
UNITED KINGDOM 7.50% (31.12.2020 – 8.15%)			
Consumer Discretionary 2.19% (31.12.2020 – 1.48%)			
Compass Group	159,990	2,641	1.08
InterContinental Hotels Group	56,596	2,705	1.11
Consumer Staples 2.02% (31.12.2020 – 2.23%)			
Diageo	76,023	3,068	1.26
Unilever	46,861	1,849	0.76
Financials 1.79% (31.12.2020 – 1.37%)			
London Stock Exchange Group	41,258	2,859	1.17
Prudential	118,906	1,515	0.62
Health Care 0.00% (31.12.2020 – 0.74%)			
Industrials 1.50% (31.12.2020 – 1.59%)			
RELX	152,938	3,662	1.50
Materials 0.00% (31.12.2020 – 0.74%)			
OVERSEAS EQUITIES 91.28% (31.12.2020 – 91.31%)			
DEVELOPED EUROPE 17.90% (31.12.2020 – 19.38%)			
Communication Services 0.89% (31.12.2020 – 0.00%)			
Universal Music Group	104,039	2,165	0.89
Consumer Discretionary 3.23% (31.12.2020 – 2.91%)			
Adidas	11,621	2,475	1.01
Kering	3,675	2,178	0.89
LVMH Moët Hennessy Louis Vuitton	5,335	3,254	1.33
Consumer Staples 4.31% (31.12.2020 – 5.42%)			
Heineken	29,656	2,462	1.01
L'Oreal	4,953	1,734	0.71
Nestlé	37,499	3,872	1.59
Pernod Ricard	13,796	2,449	1.00

PORTFOLIO STATEMENT

at 31 December 2021

	Holding	Fair value £'000	% of total net assets
Financials 1.83% (31.12.2020 – 2.22%)			
Deutsche Börse	17,708	2,184	0.89
Partners Group	1,879	2,302	0.94
Health Care 2.94% (31.12.2020 – 2.63%)			
Novo Nordisk 'B'	42,859	3,573	1.46
Roche Holdings	11,766	3,614	1.48
Industrials 2.45% (31.12.2020 – 1.82%)			
Assa Abloy B	95,682	2,157	0.88
Schneider	17,283	2,502	1.03
Wolters Kluwer	15,426	1,326	0.54
Information Technology 2.25% (31.12.2020 – 3.71%)			
Amadeus IT Group	47,778	2,392	0.98
ASML Holding	2,861	1,698	0.70
Hexagon	118,912	1,391	0.57
Materials 0.00% (31.12.2020 – 0.67%)			
NORTH AMERICA 64.32% (31.12.2020 – 58.41%)			
Communication Services 4.91% (31.12.2020 – 5.78%)			
Alphabet C	3,686	7,875	3.23
Electronic Arts	12,131	1,181	0.48
The Walt Disney Company	25,544	2,921	1.20
Consumer Discretionary 6.34% (31.12.2020 – 5.94%)			
Amazon.com	2,741	6,747	2.76
McDonald's	12,338	2,441	1.00
Nike B	15,997	1,969	0.81
Starbucks	21,273	1,837	0.75
The TJX Companies	44,471	2,493	1.02
Consumer Staples 1.75% (31.12.2020 – 0.00%)			
Estée Lauder	6,584	1,800	0.74
PepsiCo	19,267	2,471	1.01

PORTFOLIO STATEMENT

at 31 December 2021

	Holding	Fair value £'000	% of total net assets
Financials 8.90% (31.12.2020 – 7.85%)			
Bank of America	111,860	3,673	1.50
CME Group	20,374	3,437	1.41
Intercontinental Exchange Group	38,010	3,838	1.57
JP Morgan Chase & Co	24,888	2,909	1.19
Marsh & McLennan	18,264	2,343	0.96
S&P Global	9,956	3,468	1.42
The Blackstone Group	21,786	2,081	0.85
Health Care 13.39% (31.12.2020 – 12.68%)			
Abbott Laboratories	27,968	2,906	1.19
Agilent Technologies	23,545	2,776	1.14
Danaher	16,143	3,921	1.61
Edwards Lifesciences	34,985	3,344	1.37
Humana	7,999	2,739	1.12
Illumina	3,097	870	0.36
Medtronic	21,702	1,658	0.68
Stryker	17,107	3,378	1.38
Thermo Fisher Scientific	6,475	3,191	1.31
UnitedHealth Group	13,850	5,134	2.10
Zoetis	15,338	2,762	1.13
Industrials 10.08% (31.12.2020 – 7.47%)			
Ametek	23,549	2,557	1.05
Honeywell International	20,045	3,086	1.26
IDEX	11,281	1,967	0.81
Ingersoll-Rand	59,638	2,724	1.12
Masco	50,037	2,594	1.06
Roper Technologies	8,866	3,220	1.32
TransUnion	40,713	3,564	1.46
Union Pacific	13,814	2,569	1.05
Verisk Analytics	13,666	2,308	0.95

PORTFOLIO STATEMENT

at 31 December 2021

	Holding	Fair value £'000	% of total net assets
Information Technology 18.03% (31.12.2020 – 15.55%)			
Accenture	9,552	2,923	1.20
Adobe	10,865	4,549	1.86
Broadcom	5,407	2,656	1.09
Fidelity National Information Services	30,142	2,430	1.00
Mastercard	16,705	4,432	1.82
Microsoft	37,958	9,422	3.86
NXP Semiconductors	14,832	2,494	1.02
PayPal Holdings	19,062	2,654	1.09
ServiceNow	2,513	1,205	0.49
Synopsys	11,873	3,230	1.32
Texas Instruments	15,407	2,144	0.88
Verisign	8,824	1,654	0.68
Visa A	26,241	4,198	1.72
Materials 0.92% (31.12.2020 – 0.58%)			
Ecolab	12,962	2,244	0.92
Real Estate 0.00% (31.12.2020 – 1.55%)			
Utilities 0.00% (31.12.2020 – 1.01%)			
JAPAN 0.63% (31.12.2020 – 1.62%)			
Industrials 0.00% (31.12.2020 – 0.47%)			
Information Technology 0.63% (31.12.2020 – 1.15%)			
Keyence	3,300	1,529	0.63
ASIA PACIFIC EX JAPAN 7.19% (31.12.2020 – 10.79%)			
Communication Services 1.39% (31.12.2020 – 2.72%)			
Naver Corporation	6,353	1,493	0.61
NetEase	127,200	1,897	0.78
Consumer Discretionary 1.03% (31.12.2020 – 0.92%)			
Yum China	68,607	2,525	1.03

PORTFOLIO STATEMENT

at 31 December 2021

	Holding	Fair value £'000	% of total net assets
Consumer Staples 0.76% (31.12.2020 – 1.40%)			
LG Household & Healthcare	2,720	1,852	0.76
Financials 2.60% (31.12.2020 – 3.85%)			
AIA Group	452,200	3,366	1.38
HDFC Bank	61,954	2,975	1.22
Information Technology 1.41% (31.12.2020 – 1.90%)			
Taiwan Semiconductor Manufacturing Company	210,000	3,446	1.41
OTHER 1.24% (31.12.2020 – 1.11%)			
Information Technology 1.24% (31.12.2020 – 1.11%)			
Nice	13,514	3,023	1.24
INVESTMENT ASSETS		241,120	98.78
NET OTHER ASSETS		2,971	1.22
TOTAL NET ASSETS		244,091	100.00

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2021

		Year ended 31.12.2021		Year ended 31.12.2020	
	<i>Note</i>	£'000	£'000	£'000	£'000
Income					
Net capital gains	2		37,635		36,642
Revenue	3	2,274		2,215	
Expenses	4	(1,812)		(1,677)	
Net revenue before taxation		462		538	
Taxation	5	(239)		(172)	
Net revenue after taxation			223		366
Total return before distributions			37,858		37,008
Distributions	6		(5,507)		(5,207)
Change in net assets attributable to Unitholders from investment activities			32,351		31,801

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 December 2021

	Year ended 31.12.2021		Year ended 31.12.2020	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Unitholders		196,810		167,273
Amounts receivable on issue of Units	21,942		6,478	
Amounts payable on cancellation of Units	(7,093)		(8,807)	
		14,849		(2,329)
Change in net assets attributable to Unitholders from investment activities		32,351		31,801
Retained distributions on Accumulation Units		81		65
Closing net assets attributable to Unitholders		244,091		196,810

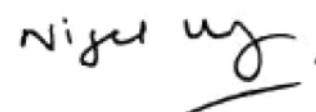
The notes on pages 28 to 43 and the distribution tables on page 44 form part of these financial statements.

BALANCE SHEET
at 31 December 2021

	Note	31.12.2021		31.12.2020	
		£'000	£'000	£'000	£'000
ASSETS					
Fixed assets:					
Investments			241,120		195,747
Current assets:					
Debtors	7	126		119	
Cash equivalents	8	1,850		—	
Cash and bank balances	8	2,769		2,428	
Total current assets			4,745		2,547
Total assets			245,865		198,294
LIABILITIES					
Creditors:					
Other creditors	9	384		166	
Distribution payable on Income Units		1,390		1,318	
Total creditors			1,774		1,484
Total liabilities			1,774		1,484
Net assets attributable to Unitholders			244,091		196,810

The financial statements on pages 26 to 44 have been approved by the Board.

Approved on behalf of the Board
10 June 2022


N Morecroft, Chair

The notes on pages 28 to 43 and the distribution tables on page 44 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with FRS102 and The Charities Accounts and reports regulations, 2008 and AIFM in so far as applicable. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments.

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

(b) Revenue recognition

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

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

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

(c) Stock dividends

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. Accounting policies (*continued*)

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

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

It is likely that where the receipt of a special dividend, share buy back, additional share issues results in a significant reduction in the capital value of the holding, then the special dividend, share buy back, additional share issue is treated as capital in nature so as to ensure the matching principle is applied to gains and losses. Otherwise, the special dividend, share buy back, traditional share issue is treated as revenue.

(e) *Expenses*

During the year, the annual management charge (AMC), paid to the Manager, was taken to the capital of the Fund. The AMC is based on a fixed percentage of the value of the Fund and was 0.75% pa plus VAT during the year.

The Fund also received AMC rebates credited to the revenue of the Fund for its deposits in the COIF Charities Deposit Fund during the year, where the AMC is charged to revenue.

On a daily basis, the value of the Fund at the end of the previous day is taken to calculate the AMC due. The Manager charges an AMC for the provision of managing investments. From 1 October 2019, the Manager ceased charging the fee for ethical and stewardship services.

The depositary fee, audit fee, legal fees, safe custody fees and transaction charges, insurance fees and other fees are charged separately to the revenue of the Fund before distribution.

(f) *Distributions*

Distributions are paid quarterly and can also be supported by the Fund's capital.

The Fund can utilise an income reserve to even out the fluctuations in revenue which arise over the years. Movements in the income reserve are therefore adjustments made to net revenue in determining the distributions. The income reserve was £nil as at 31 December 2021. There was no change in the income reserve balance during the current and prior reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. Accounting policies (*continued*)

(g) *Basis of valuation*

Quoted investments are valued at bid-market values at the close of business on the last business day of the accounting period.

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

(h) *Foreign exchange*

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

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

(i) *Cash equivalents*

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

2. Net capital gains

	31.12.2021 £'000	31.12.2020 £'000
The net capital gains during the year comprise:		
Realised gains on non-derivative securities*	19,564	20,241
Unrealised gains on non-derivative securities*	18,028	16,011
VAT reclaims	–	533
Currency gains/(losses)	43	(143)
	37,635	36,642

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

3. Revenue

	31.12.2021 £'000	31.12.2020 £'000
Overseas dividends	2,010	1,827
UK dividends	258	347
VAT reclaims	–	24
Bank interest	2	5
Manager's annual management charge rebate*	4	5
Interest on the COIF Charities Deposit Fund	–	4
Other income	–	3
	2,274	2,215

* This amount represents the annual management charge rebates credited to the Fund's revenue. This for the Fund's deposit in the COIF Charities Deposit Fund where the annual management charge is charged to revenue.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

4. Expenses

	31.12.2021 £'000	31.12.2020 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's annual management charge – see note 1 (e)	1,744	1,587
	1,744	1,587
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	24	19
Depositary fee	15	14
	39	33
Other expenses:		
Audit fee	9	14
Insurance fee	2	2
Other fees	18	41
	29	57
Total expenses	1,812	1,677

The above expenses include VAT where applicable.

Audit fee net of VAT is £9,600 (31.12.2020, £10,000).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

5. Taxation

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

	31.12.2021 £'000	31.12.2020 £'000
Overseas taxation suffered in the year	186	241
Tax on capital special dividends	(1)	3
Overseas recoverable withholding tax written off/(windfall) in the year	54	(72)
Total taxation	239	172

6. Distributions

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

	31.12.2021 £'000	31.12.2020 £'000
31 March – interim distribution	1,358	1,287
30 June – interim distribution	1,382	1,288
30 September – interim distribution	1,377	1,308
31 December – final distribution	1,407	1,330
	5,524	5,213
Add: revenue deducted on cancellation of Units	8	9
Deduct: revenue received on issue of Units	(25)	(15)
Net distribution for the year	5,507	5,207
Net revenue after taxation for the year	223	366
Capital transfers for income distribution	3,541	3,251
Manager's annual management charge – see note 1(e)	1,744	1,587
Tax on capital special dividends	(1)	3
Net distribution for the year	5,507	5,207

Details of the distribution per Unit are set out in the distribution tables on page 44.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

6. Distributions (*continued*)

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

There were no unclaimed distributions as at 31 December 2021 (31.12.2020, £971).

7. Debtors

	31.12.2021 £'000	31.12.2020 £'000
Accrued revenue	126	100
Amounts receivable on creation of Units	–	19
	126	119

8. Cash equivalents, cash and bank balances

	31.12.2021 £'000	31.12.2020 £'000
Cash equivalents – cash in the COIF Charities Deposit Fund	1,850	–
Cash and bank balances: cash at bank	2,769	2,428

9. Other creditors

	31.12.2021 £'000	31.12.2020 £'000
Purchases awaiting settlement	157	–
Accrued expenses	197	166
Amount payable on cancellation of Units	30	–
	384	166

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

10. Financial instruments

Fair value

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

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

Market price risk

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

At 31 December 2021, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to Unitholders, and profit or loss, would increase or decrease respectively by approximately £12,056,000 (31.12.2020, £9,787,000).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

10. Financial instruments (*continued*)

Credit risk

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

Liquidity risk

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

Currency risk

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

At 31 December 2021, if the value of sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to Unitholders, and profit or loss, would decrease or increase respectively by approximately £2,265,000 (31.12.2020, £1,829,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

10. Financial instruments (continued)

Currency risk (continued)

The total foreign currency exposure at 31 December was:

Currency	31.12.2021			31.12.2020		
	Monetary exposures £'000	Non- monetary exposures £'000	Total £'000	Monetary exposures £'000	Non- monetary exposures £'000	Total £'000
Danish krona	–	3,573	3,573	–	2,596	2,596
Euro	–	30,479	30,479	–	28,468	28,468
Hong Kong dollar	1	5,263	5,264	–	7,470	7,470
Indonesian rupiah	–	–	–	–	938	938
Japanese yen	–	1,529	1,529	–	3,193	3,193
Korean won	–	3,345	3,345	–	2,754	2,754
Swedish krona	–	3,548	3,548	–	2,090	2,090
Swiss franc	–	9,789	9,789	–	8,137	8,137
Taiwan dollar	(71)	3,446	3,375	8	3,746	3,754
US dollar	114	165,511	165,625	92	123,445	123,537
Total	44	226,483	226,527	100	182,837	182,937

The Fund held derivatives relating to forward currency contracts with a net value of £nil as at 31 December 2021 (31.12.2020, £nil).

Interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

10. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2021 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	4,544	—	14,637	19,181
Euro	—	—	30,479	30,479
Japanese yen	—	—	1,529	1,529
US dollar	—	—	165,625	165,625
Other	75	—	28,976	29,051
Total	4,619	—	241,246	245,865

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	—	—	(1,617)	(1,617)
Other	—	—	(157)	(157)
Total	—	—	(1,774)	(1,774)

The total exposure at 31 December 2020 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	2,428	—	12,929	15,357
Euro	—	—	28,468	28,468
Japanese yen	—	—	3,193	3,193
US dollar	—	—	123,537	123,537
Other	—	—	27,739	27,739
Total	2,428	—	195,866	198,294

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

10. Financial instruments (continued)

Interest rate risk (continued)

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	—	—	(1,484)	(1,484)
Total	—	—	(1,484)	(1,484)

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

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

11. Commitments and contingent liabilities

There were no other commitments or contingent liabilities as at 31 December 2021 (31.12.2020, £nil).

12. Board remuneration

The Board members receive no remuneration from the COIF Charity Funds.

13. Related party transactions

The Manager's annual management charge is paid to the Manager, a related party to the Fund. The amounts incurred in respect of this are disclosed in note 4. Please see note 1(e) for further information. The amounts paid in respect of these charges are disclosed in note 4. An amount of £183,589 was due to the Manager at 31 December 2021 (31.12.2020, £149,581). There were no other transactions entered into with the Manager during the year (31.12.2020, £nil).

At 31 December 2021 a cash balance of £1,850,000 (31.12.2020, £nil) was held in the COIF Charities Deposit Fund. During the year, the Fund received interest of £247 (31.12.2020, £4,324) from the COIF Charities Deposit Fund.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

13. Related party transactions (*continued*)

As at 31 December 2021, the COIF Charities Investment Fund held 45.79% (31.12.2020, 48.99%) of the value of the Fund.

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

14. Portfolio transaction costs

For the year ended 31 December 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	79,556	38	0.05	20	0.03	79,614
Corporate actions	1	—	—	—	—	1
Total	79,557	38		20		79,615

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	71,839	(37)	0.05	(10)	0.01	71,792
Corporate actions	31	—	—	—	—	31
Total	71,870	(37)		(10)		71,823

Commissions and taxes as a percentage of average net assets

Commissions 0.03%

Taxes 0.02%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

14. Portfolio transaction costs (*continued*)

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2021 was 0.05%.

For the year ended 31 December 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total purchases costs						
Equity transactions	67,955	34	0.05	17	0.03	68,006
Total	67,955	34		17		68,006

	Value £'000	Commissions £'000	%	Taxes £'000	%	Total £'000
Analysis of total sales costs						
Equity transactions	76,122	(36)	0.05	(6)	0.01	76,080
Corporate actions	17	—		—		17
Total	76,139	(36)		(6)		76,097

Commissions and taxes as a percentage of average net assets

Commissions 0.04%

Taxes 0.01%

The average portfolio dealing spread, including the effect of foreign exchange, as at 31 December 2020 was 0.11%.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

15. Unitholders' funds – reconciliation of Units

	31.12.2021	
	Income Units	Accumulation Units
Opening number of Units at beginning of year	77,050,951	1,527,985
Units issued in year	7,257,788	511,403
Units cancelled in year	(2,503,423)	(73,309)
Units converted in year	(14,737)	8,230
Closing number of Units at end of year	81,790,579	1,974,309

All Units carry the same rights.

16. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31 December 2021

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	241,120	–	–	241,120
	241,120	–	–	241,120

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

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

For the year ended 31 December 2020

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	195,747	—	—	195,747
	195,747	—	—	195,747

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

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

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

DISTRIBUTION TABLES

for the year ended 31 December 2021

Period ended	Date payable/paid		Dividends payable/paid pence per Unit	
	2021	2020	2021	2020
Income Units				
31 March	28 May	29 May	1.71	1.64
30 June	31 August	28 August	1.71	1.64
30 September	30 November	30 November	1.70	1.70
31 December	28 February	26 February	1.70	1.71
			6.82	6.69

Period ended	Revenue accumulated pence per Unit	
	2021	2020
Accumulation Units		
31 March	0.91	1.22
30 June	1.63	1.41
30 September	0.93	0.87
31 December	0.85	0.83
	4.32	4.33

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Board

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

- making and revising the written statement of the investment objectives of the Fund and ensuring that details of such investment objectives will be included in the Scheme Particulars;
- determining the criteria and methods for evaluating the performance of the Fund;
- granting prior written approval to the Manager should the Manager wish to enter into certain types of investment or a specific course of borrowing on behalf of the Fund;
- appointing the Auditor of the Fund and agreeing their terms of engagement;
- making an annual report on the discharge of the Board's responsibilities;
- determining the rate of remuneration of the Trustee and the Manager in accordance with the Scheme and the Scheme Particulars;
- applying to the Charity Commission for an order to discharge the Trustee from the provisions of the Scheme and an order to appoint a new Trustee of the provisions of the Scheme;

- making representations to the Trustee on the winding up of the Fund: provided that any Board member who has any interests in the Trustee or the Manager shall not participate in the Board's discussions and decisions on the matter and shall not be counted in the quorum necessary for the transaction of such business; and
- informing the Charity Commission promptly and in writing if the Board is not satisfied at any time as to the compliance of the Trustee or the Manager with the Scheme or the Scheme Particulars.

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

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee

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

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

- the making of an annual report on the discharge of its responsibilities for the management of the Fund; and

- winding up the Fund.

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

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Depositary

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

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

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

The Depositary must ensure that:

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

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

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

Responsibilities of the Manager

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

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

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

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

The Manager is required to:

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

STATEMENT OF BOARD, TRUSTEE, DEPOSITARY AND MANAGER RESPONSIBILITIES

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

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

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

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

AIFMD DISCLOSURES

Manager Remuneration

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

Recharges for these services of CCLA Investment Management Limited to the Manager are levied in respect of CCLA Investment Management Limited's year ending on 31 March each year. The recharge for the year to 31 March 2021 was £30,000,000. A recharge of £28,700,000 was levied in the year to 31 March 2020.

The average number of full time equivalent staff of CCLA Investment Management Limited, including temporary staff, for the year ended 31 March 2021 was 145 (year ended 31 March 2020, 137).

During the year ended 31 December 2021 and the prior year, remuneration was paid to CCLA Investment Management Limited staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 December 2021		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,380	1,827	3,207
Other staff	12,659	5,327	17,986
Total	14,039	7,154	21,193

	Year to 31 December 2020		Total £'000
	Fixed remuneration £'000	Variable remuneration £'000	
Identified staff	1,355	1,870	3,225
Other staff	11,605	4,422	16,027
Total	12,960	6,292	19,252

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

(Charity Registration No. 1121433)

DIRECTORY

Board

N Morecroft, ASIP (Chair)
 K Corrigan, FCCA
 J Hobart, MA
 G Newson, MRICS – resigned on 22 November 2021
 S Niven, CFA
 C Ong, MBA
 A Watson, CBE

Secretary

J Fox

**Manager and Alternative Investment Fund
 Manager (AIFM)**

CCLA Fund Managers Limited

Investment Manager and Registrar

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

Administrator

HSBC Bank plc
 8 Canada Square
 Canary Wharf
 London
 E14 5HQ
*HSBC Bank plc is authorised by the Prudential Regulation
 Authority and regulated by the Financial Conduct Authority
 and the Prudential Regulation Authority*

Executive Directors of the Manager

P Hugh Smith (Chief Executive Officer) –
 resigned on 17 November 2021
 J Bevan (Chief Investment Officer) –
 resigned on 1 June 2021
 E Sheldon (Chief Operating Officer)
 A Robinson, MBE (Director Market Development) –
 resigned on 1 June 2021
 D Sloper (Chief Executive Officer) –
 appointed on 17 November 2021

Non-Executive Directors of the Manager

R Horlick (Chair)
 J Jesty
 C Johnson – resigned on 1 June 2021
 G Newson – resigned on 1 June 2021
 A Roughead

Fund Manager (CCLA Investment Management Limited)

J Bevan – resigned on 8 September 2021
 C Ryland – appointed on 8 September 2021
 J Ayre – appointed on 8 September 2021

Company Secretary

J Fox

Chief Risk Officer

JP Lim

Head of Sustainability

J Corah

Third Party Advisors*Custodian, Trustee and Depositary*

HSBC Bank plc
 8 Canada Square
 Canary Wharf
 London
 E14 5HQ

Banker

HSBC Bank plc
 60 Queen Victoria Street
 London
 EC4N 4TR

Solicitor

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

Independent Auditor

Deloitte LLP
 110 Queen Street
 Glasgow
 G1 3BX – appointed on 15 February 2022

ABOUT CCLA

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

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



CCLA Fund Managers Limited

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

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

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