

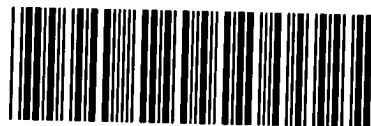
Registered number: 2183088

CCLA

CCLA Investment Management Limited

Annual Report & Audited Financial Statements
For the year ended 31 March 2017

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Definitions

CCLA Investment Management Limited	the "Company" or "CCLA IM"
CCLA Fund Managers Limited	"CCLA FM", a wholly owned subsidiary of CCLA IM
CCLA Investment Management Limited and CCLA Fund Managers Limited	together "CCLA" or the "CCLA Group" or "Group"

Disability Discrimination Act 1995
Extracts from the Report & Financial Statements are available in large print and audio format.

Chairman's Statement

I became Chairman of CCLA on 1 January 2017 following James Dawnay's retirement. Both before and since my appointment I have deepened my understanding of the organisation and would like to start this statement with thanks for the contribution to CCLA made by James Dawnay in his time as Chairman. His appointment of the management team and the leadership and support he provided has allowed CCLA to achieve its current success. I aim to support the continuing growth and development of the organisation, but his is a hard act to follow.

In the year to 31 March 2017, CCLA delivered a further improvement in profitability, the fifth consecutive year of growth which has significantly strengthened our finances. We have a very healthy capital position which allowed the Board to pay a dividend of £1.60m, nearly twice that paid the previous year.

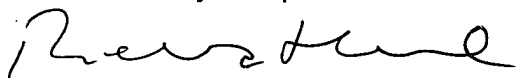
We have seen strong net fund inflows, and with the support of rising equity markets, total funds under management increased by 19% to £7.2bn. Our flagship Investment Funds saw the greatest net inflows, assisted by our property funds and the first year of net inflows for our deposit funds since 2008.

Our success results from continuing strong investment performance, effective administration and a deep understanding and empathy for our clients. Our ownership and heritage means that we have a long-term and unflinching commitment to the charity and public sectors which enables us to invest for the long-term in a manner that is unusual in the financial services sector.

The year has been one marked by political surprises. Our last report to shareholders was shortly after the vote to leave the European Union and few at that time were predicting the swift rise in equity markets that followed the referendum and Mr Trump's election as US President. The results of the UK election on 8 June were also a surprise, leaving the political establishment in limbo at a difficult time. Many important political and economic issues remain outstanding which, when combined with higher valuations, mean that we should expect more volatile markets in the year ahead. However, we are confident that our investment approach will continue to deliver the long-term competitive returns our clients require.

Subject to relatively benign market conditions we expect to see revenue growth, but there will be some exceptional costs in the year ahead. The most significant is likely to be a contribution to the Church of England Defined Benefit pension scheme, in which our staff are no longer accruing new benefits. In addition, we are undertaking a wide range of system and product developments which will be delivered over the next two years. We have taken on temporary staff to ensure that our day to day activities will not be adversely affected by these developments, but as a result our costs will be higher than would otherwise have been the case.

The Board believes that CCLA will continue to grow in the future and that our current development plans will enhance our products and services for clients and strengthen our position in what is a very competitive market.



Richard Horlick
Chairman
3 July 2017

Chief Executive's Review

In the year to 31 March 2017, CCLA's funds under management increased by £1,152m. Of this growth, £636m represents net new client funds, the balance being the effects of market movements and outperformance. Deposit funds rose by £183m, and long-term funds increased by £969m. This is the fifth consecutive year of good fund flows, resulting in a £2bn cumulative total of net new funds and a 78% increase in funds under management since 2012.

This growth results from the delivery of strong and competitive performance and funds that meet the risk, return and ethical requirements of our clients. By way of example, our flagship Investment Funds, representing 48% of our funds under management and 57% of our revenues, have a top quartile performance record over the last five years. Property and deposit funds are the two other areas of note, with the former providing an attractive level of income for charity and public sector investors in a low interest rate environment, and the latter becoming increasingly competitive compared with domestic and international bank deposit accounts.

Strong performance is a necessary, but not sufficient, component of success. Other areas, such as efficient administration, attractive reporting and attentive relationship management are also important. We have improved our systems and procedures and, where appropriate, increased our headcount in key support areas to strengthen our administration, and have developed and enhanced our client reporting pack that will be rolled out to an increasing number of clients over the coming year. This enhanced reporting provides more information for pooled fund clients, allowing them to have a greater understanding of the sources of return within the funds. Investment management is a complex subject, and we are increasing the number of individuals who can support clients and pitch for new business.

We are in the early stages of a project to renew our transfer agency system which helps us to manage the relationships that we have with our clients. Whilst this will be a complex and resource intensive project, we are confident that it will result in a more efficient system for us, and more attractive output for clients.

Towards the end of the last financial year, we launched the Diversified Income Fund. This fund provides a good level of income and a lower level of risk compared with our Investment Funds. We expect this to be attractive to clients who are looking for a higher return than that available from cash and other short-term investments, but without taking the full risk of equity investments. As well as being an attractive investment in current market conditions, the structure of the fund is also very efficient. It is an Authorised Contractual Scheme, an FCA regulated tax transparent fund allowing investors with different tax positions to invest in a single pool of assets. In this case, charities are investing alongside local authorities whilst retaining their individual tax advantages. Whilst this fund is only available to large or professional investors, we expect this structure to become increasingly important for our product development plans in the future.

In the year to 31 March 2017, our revenues increased by 14.9%, driven by net new funds and rising equity markets, somewhat offset by slightly lower property valuations following the


Chief Executive's Review (continued)

result of the EU referendum. Administrative expenses increased by 12.0%. An increase in headcount was the most material driver of our increase in costs, with total average headcount rising from 99 to 110 and staff costs increasing by 12.8%.

Our operating profits before exceptional items rose by 24.5%. Exceptional items of £0.6m relate to the cost of upgrading and replacing our operational processes and infrastructure, including the early stages of our transfer agency project. Pre-tax profit after exceptional items rose by 19.6% to £6.8m. After the payment of dividends, our capital and reserves increased by 22.2% to £25.2m. This is substantially in excess of our regulatory capital requirement of £4.3m and our target minimum capital of £10.2m.

Our strong profitability and capital position means that we are able to weather adverse market movements and absorb other unexpected or one-off costs without impacting our activities. The most significant one-off cost in the near future is likely to be a pension scheme deficit on the Church of England Defined Benefit pension scheme, in which our staff are no longer accruing new benefits. The most recent triennial valuation of this scheme is as at 31 December 2016 and we will receive the results of that valuation shortly after the signing of these accounts. Based on movements in interest rates and asset prices since our last valuation, we are expecting a significant deficit which we are likely to fund in full in the coming financial year.

CCLA's profitability has increased swiftly over the last five years with strong fund flows being assisted by rising markets. We are now entering a period of increased investment and an associated temporary rise in costs. We are confident that this investment will enhance our services to our clients and further embed CCLA's strong position in its charity and public sector markets.



Michael Quicke
Chief Executive

Strategic Report

The Directors submit their Strategic Report for the year ended 31 March 2017.

Principal activities

The Company is authorised by the Financial Conduct Authority. The Group and the Company are investment fund managers. The CBF Investment Fund, COIF Investment Fund and LAMIT, the Trustee body for the Local Authorities' Property Fund, are shareholders in the Company.

Principal risks and uncertainties

- **Market risk:** The level of asset prices, in particular equities and property, as these have a major bearing on funds under management and therefore turnover.
- **Pension scheme risk:** Unpredictable expense in relation to CCLA's obligations to the Church of England Defined Benefit pension scheme.
- **Volume of regulatory change:** financial services firms face challenges and risks in keeping abreast of the complex and ever changing financial regulatory landscape, monitoring regulatory developments, analysing their impact and implementing the necessary changes.
- **Financial crime:** financial services firms are particularly vulnerable to financial crime due to the inherent nature of the industry.

The key risks are monitored through reports to the monthly Executive Committee. These reports include details of all 'high' and 'borderline' risks (as defined by a range of criteria including frequency and quantitative and qualitative impact factors) and how these are mitigated through senior management action. CCLA's risk appetite limit is defined as being any residual risk, after applying mitigating controls, that is scored as high. Any high residual risk score would not be acceptable to the Board over any extended period of time, and mitigating action should be put in place to bring the risk back within the risk appetite. In addition, the principal risks are overseen by the Audit Committee of the Board as part of its role in relation to risk management.

Review of the business and future developments

A review of the Group's and Company's business is contained in the Chairman's statement and the Chief Executive's Review.

The Group's funds under management rose from £6.0bn as at 31 March 2016 to £7.2bn as at 31 March 2017. Year on year turnover rose from £26,034,000 to £29,908,000. The Directors regards the Group and Company's results as satisfactory. The Directors expect the Group and Company to continue to operate successfully in the future.

Corporate governance

Corporate governance is addressed in detail within the Corporate Governance report beginning on page 16.

Strategic Report (continued)

Employees

During the year to 31 March 2017, CCLA employed an average of 107 permanent members of staff (2016: 97). Staff turnover was 8% (2016: 26%) and excluding redundant roles 6% (2016: 21%).

As at 31 March 2017, 46% (2016: 42%) of staff were female and 11% (2016: 11%) were from ethnic minorities.

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



Jackie Fox
Company Secretary

3 July 2017

Directors' Report

The Directors submit their report and audited consolidated financial statements for the year ended 31 March 2017. The consolidated financial statements include the results of the Company and its wholly-owned subsidiary, CCLA Fund Managers Limited ("CCLA FM"). The nature of CCLA FM's operations are in line with the principal activities disclosed in the Strategic Report. Please refer to the Strategic Report for details on the future development of the business.

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 £1,447,812 and £148,500 were declared on 26 September 2016 and paid on 31 October 2016 on 241,302 Ordinary and 4,950,000 P Ordinary shares respectively in this financial year (2016: £710,421 and £148,500 on 236,807 Ordinary and 4,950,000 P Ordinary shares respectively).

Share capital

The Company's issued share capital increased by 4,495 (2016: 2,916) 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 £508,744 (2016: £243,457).

Investments

In the year to 31 March 2017 CCLA made no new investments.

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 renewed policy was in place at the date of approval of the financial statements.

During the year the Company had in place Directors' and Officers' Liability Insurance. 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

In accordance with the rules of the Financial Conduct Authority, it is the intention of the Group to follow the FCA Remuneration Code disclosures. This information is available at www.ccla.co.uk.

Directors' Report (continued)

Directors

Biographical details of the Directors are shown on pages 13 to 15. The Directors of the Company who served throughout the year and up to the date of signing, except where noted below, were:

- * James Dawnay – Chairman ⁽¹⁾
- * Richard Horlick – Chairman ⁽ⁱ⁾
- * Rosemary Norris (a)
- * Trevor Salmon (a)
- * John Tattersall (a)
- * Richard Williams (a)

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

* *Non-Executive Directors*

(a) *Member of the Audit Committee*

(1) James Dawnay resigned as chairman on 1 January 2017 and Richard Horlick was appointed as chairman on the same day.

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. 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 2016, four Executive Directors purchased 4,495 new ordinary shares in CCLA, representing 1.76% of the enlarged share capital.

In addition 155 shares belonging to Colin Peters, a former Director, were purchased by the remaining 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 was permitted to retain his shares for a limited period after retirement. The shares were acquired at a price based on an independent valuation.

Directors' Report (continued)

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

	Holding as at 31 March 2017 Ordinary Shares £1 each	Holding as at 31 March 2016 Ordinary Shares £1 each
Michael Quicke	7,430	6,500
James Bevan	4,760	3,900
Andrew Robinson	4,760	3,900
Adrian McMillan	4,400	2,400
Colin Peters (former Director)	3,285	3,440

The revised ownership structure of CCLA at 31 March 2017 was as follows:

Shareholder	Interest
The CBF Church of England Investment Fund	53.87%
COIF Charities Investment Fund	22.45%
The Local Authorities' Mutual Investment Trust (LAMIT)	13.47%
Executive Directors	10.21%
Total	100.00%

As at 31 March 2017 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 2017 P Ordinary Shares £1 each	Holding as at 31 March 2016 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 practices can be found on page 21 in the Corporate Governance report.

Charitable Donations

During the year the Company made charitable donations of £2,418 (2016: £2,868) 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.

Directors' Report (continued)

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.

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.

Directors' Report (continued)

Financial risk management (continued)

- 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 Risk – 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

Please refer to the Group's website for Pillar 3 disclosures (www.ccla.co.uk).

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



Jackie Fox
Company Secretary
3 July 2017

Board Profiles

Non-Executive Directors

Richard Horlick – Chairman (from 1 January 2017)

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 Tau Capital plc and Pacific Assets Trust plc and is currently a Non-Executive Director of Pensato Capital LLP, Senior Advisor for Tau Capital plc and is a member of the Investment Committee at Pembroke College, Cambridge. Richard was appointed a Non-Executive Director and Chairman of CCLA from 1 January 2017.

Rosemary Norris

Rosemary has over 30 years investment management experience across institutional and private clients, family offices and charities and runs a business advising on manager due diligence, selection and monitoring. 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 Chair of the Investment Committee of Buttle UK and a member of the RNLI Council and Investment Committee. 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.

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.

Board Profiles (continued)

Non-Executive Directors (continued)

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 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 plc) and of UBS Limited. In 2014 John was appointed Chair of The Oxford Diocesan Board of Finance and Chair and Director of Retail Charity Bonds plc and of RC Bond Holdings Ltd. 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, and he is Vice-Chair of St. Augustine's College of Theology. He was appointed as a Non-Executive Director of CCLA in 2011.

Richard Williams

Richard is the Investment Director 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.

Board Profiles (continued)

Executive Directors (continued)

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 Inscope, 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, leading a cross-divisional team 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 Chairman of the Community Development Foundation; Vice Chairman of the Lankelly Chase Foundation; a Trustee of the Local Trust; a Trustee of the RBS Microfinance Funds; and special advisor to Locality. 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 2017.

Board of Directors

At 31 March 2017, 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 2017. 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.

CCLA has made progress towards meeting the target of 25 per cent of board positions to be filled by women by 2018 (currently one member, or 11%, of the Board is female) and will continue to aspire to meet this standard.

Corporate Governance Report (continued)

Board and Committee attendance

	CCLA Board	Audit Committee	Remuneration Committee
	Meetings Held: 4 Attendance:	Meetings Held: 2 Attendance:	Meetings Held: 2 Attendance:
James Dawnay ⁽¹⁾	3	1	1
Richard Horlick ⁽¹⁾	1	1	2
Rosemary Norris	4	2	2
Trevor Salmon	4	2	1
John Tattersall	4	2	2
Richard Williams	4	2	2
Michael Quicke	4	2	2
James Bevan	3	n/a	n/a
Adrian McMillan	4	2	n/a
Andrew Robinson	4	n/a	n/a

Note 1: James Dawnay resigned as Chairman on 1 January 2017 and was replaced by Richard Horlick on the same day.

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 43.

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;
- 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.

Corporate Governance Report (continued)

Audit committee (continued)

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.

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.

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

Corporate Governance Report (continued)

Operational risk management (continued)

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 & 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 2017.

Remuneration policy and compensation arrangements

The pay review and bonus awards to be made to all CCLA staff, other than Executive Directors, are proposed by the Executive Directors following consultation with senior staff. A summary of their recommendations, including the effect on the organisation as a whole, is considered and approved by the Remuneration Committee of the Non-Executive Directors, which also approves the pay review, bonus awards and any awards made to the long term incentive plan to be made to CCLA Executive Directors.

The Company's policy is designed to ensure that it attracts and retains staff at all levels who have the ability, experience and motivation to operate and manage the business effectively.

Corporate Governance Report (continued)

Directors' Remuneration Report (continued)

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 2017 the Non-Executive Directors' fees were set at £46,500 p.a. for the Chairman (2016: £46,500 p.a.), £28,800 p.a. for the Chairman of the Audit Committee (2016: £28,800 p.a.) and £24,700 p.a. for the other Non-Executive Directors (2016: £24,700 p.a.).

Two 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 (2016: 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:

	2017	2016
	£'000	£'000
Emoluments paid to Executive Directors	<u>1,813</u>	<u>1,673</u>
Emoluments paid to Non-Executive Directors	<u>149</u>	<u>156</u>
Company pension scheme contributions in respect of Directors	<u>66</u>	<u>64</u>

The highest paid Director received remuneration, excluding pension contribution, of £680,452 (2016, £632,733). Pension contributions were £nil (2016: £nil).

At the year-end £2,632 (2016: £6,321) was payable to a pension scheme in respect of Directors.

During the year four (2016: four) Directors participated in the Long Term Incentive Plan. Note 18 contains details of the plan.

Corporate Governance Report (continued)

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.

Environmental Policy

CCLA is an active member of The Environmental Best Practice Meeting, which is run and organised by the Clean City Award Scheme. CCLA is also a member of the Carbon Disclosure Project and signatory to the United Nations Principles for Responsible Investment (UNPRI).

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



Jackie Fox
Company Secretary
3 July 2017

Independent auditors' report to the members of CCLA Investment Management Limited

Report on the financial statements

Our 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 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report & Audited Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Statements of Financial Position as at 31 March 2017;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated and Company Statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent auditors' report to the members of CCLA Investment Management Limited (continued)

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Group, the Company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Independent auditors' report to the members of CCLA Investment Management Limited (continued)

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Colleen Local (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 July 2017

- 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 2017

	Note	2017 £'000	2016 £'000
Turnover	3	29,908	26,034
Administrative expenses	4	<u>(22,529)</u>	<u>(20,108)</u>
Operating profit before exceptional items		7,379	5,926
Exceptional items:			
Project costs	6	<u>(642)</u>	<u>(313)</u>
Operating profit		6,737	5,613
Interest receivable and other similar income		<u>86</u>	<u>94</u>
Profit before taxation		6,823	5,707
Tax on profit	7	<u>(1,488)</u>	<u>(1,219)</u>
Profit for the financial year		<u>5,335</u>	<u>4,488</u>

The notes on pages 31 to 46 form part of these financial statements.

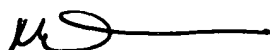
Consolidated Statement of Financial Position

as at 31 March 2017

	Note	2017	2016
		£'000	£'000
Non-current assets			
Intangible assets	8	13	123
Tangible assets	8	617	724
Directors' loans	18	922	556
		<u>1,552</u>	<u>1,403</u>
Current assets			
Debtors: amounts falling due within one year	9	3,893	3,216
Debtors: amounts falling due after more than one year	9	405	359
Cash at bank and in hand	11	8,782	9,674
Cash equivalents	12	16,779	11,721
Investments	10	-	40
		<u>29,859</u>	<u>25,010</u>
Creditors: amounts falling due within one year	13	<u>6,211</u>	<u>5,798</u>
Net current assets		<u>23,648</u>	<u>19,212</u>
Total assets less current liabilities		<u>25,200</u>	<u>20,615</u>
Net assets		<u>25,200</u>	<u>20,615</u>
Capital and reserves			
Called up share capital	14	5,191	5,187
Share premium account		1,484	975
Other reserves		333	-
Profit and loss account		<u>18,192</u>	<u>14,453</u>
Total equity		<u>25,200</u>	<u>20,615</u>

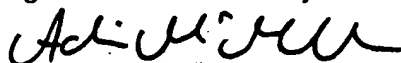
The notes on pages 31 to 46 form part of these financial statements.

These financial statements on pages 25 to 46 were approved and authorised for issue by the Board of Directors on 3 July 2017 and signed on its behalf by:



Michael Quicke
Director

Registered number: 2183088



Adrian McMillan
Director

Company Statement of Financial Position

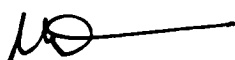
as at 31 March 2017

	Note	2017	2016
		£'000	£'000
Non-current assets			
Subsidiary undertaking	19	2,700	2,700
Intangible assets	8	13	123
Tangible assets	8	617	724
Directors' loans	18	922	556
		<u>4,252</u>	<u>4,103</u>
Current assets			
Debtors: amounts falling due within one year	9	3,683	3,115
Debtors: amounts falling due after more than one year	9	405	359
Cash at bank and in hand	11	4,913	5,328
Cash equivalents	12	11,199	10,157
Investments	10	-	40
		<u>20,200</u>	<u>18,999</u>
Creditors: amounts falling due within one year	13	<u>5,070</u>	<u>5,090</u>
Net current assets		<u>15,130</u>	<u>13,909</u>
Total assets less current liabilities		<u>19,382</u>	<u>18,012</u>
Net assets		<u>19,382</u>	<u>18,012</u>
Capital and reserves			
Called up share capital	14	5,191	5,187
Share premium account		1,484	975
Other reserves		333	-
Profit and loss account		12,374	11,850
Total equity		<u>19,382</u>	<u>18,012</u>

The Company has elected to take the exemption under s408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the year was £2,120,000 (2016: £2,550,000).

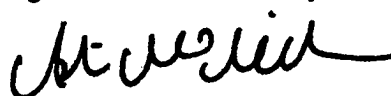
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Michael Quicke
Director

Registered number: 2183088



Adrian McMillan
Director

Consolidated Statement of Changes in Equity
for the year ended 31 March 2017

	<i>Ordinary share capital £'000</i>	<i>Share premium account £'000</i>	<i>'P' ordinary Shares £'000</i>	<i>Profit and loss account £'000</i>	<i>Other reserves £'000</i>	<i>Total £'000</i>
Balance as at 1 April 2015	234	731	4,950	10,824	-	16,739
Profit for the financial year	-	-	-	4,488	-	4,488
Issuance of shares	3	244	-	-	-	247
Equity dividends paid	-	-	-	(859)	-	(859)
Transactions with shareholders, recognised directly in equity	3	244	-	(859)	-	(612)
Balance as at 31 March 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

The notes on pages 31 to 46 form part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 March 2017

	<i>Ordinary share capital £'000</i>	<i>Share premium account £'000</i>	<i>'P' ordinary Shares £'000</i>	<i>Profit and loss account £'000</i>	<i>Other reserves £'000</i>	<i>Total £'000</i>
Balance as at 1 April 2015	234	731	4,950	10,159	-	16,074
Profit for the financial year	-	-	-	2,550	-	2,550
Issuance of shares	3	244	-	-	-	247
Equity dividends paid	-	-	-	(859)	-	(859)
Transactions with shareholders, recognised directly in equity	3	244	-	(859)	-	(612)
Balance as at 31 March 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

The notes on pages 31 to 46 form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Net cash from operating activities	16	6,544	7,695
Corporation tax paid		(1,227)	(1,417)
Net cash generated from operating activities		<u>5,317</u>	<u>6,278</u>
Cash flows from investing activities			
Purchases of fixed assets	8	(154)	(76)
Interest received		86	94
Net cash generated (used in)/ from investing activities		<u>(68)</u>	<u>18</u>
Cash flows from financing activities			
Proceeds on issue of shares	14	513	247
Dividends paid	15	(1,596)	(859)
Net cash used in financing activities		<u>(1,083)</u>	<u>(612)</u>
Net increase in cash at bank and in hand		4,166	5,684
Cash and cash equivalents at the beginning of the year		<u>21,395</u>	<u>15,711</u>
Cash and cash equivalents at the end of the year		<u>25,561</u>	<u>21,395</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand	11	8,782	9,674
Cash equivalents	12	<u>16,779</u>	<u>11,721</u>
Cash and cash equivalents		<u>25,561</u>	<u>21,395</u>

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 31 to 46 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2017

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.

(b) Turnover

Turnover is recognised to the extent that it is probable the economic benefits will flow to the Company the revenue can be reliably measured. Management fees are generally based on the agreed percentage of the valuation of the funds under management and are recognised as the service is provided and it is probable that a fee will be received.

(c) Administrative expenses

Administrative expenses represent amounts incurred by the Group and Company 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 Company'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

Notes to the Financial Statements

for the year ended 31 March 2017

1. Accounting policies (continued)

(e) Fixed assets (continued)

values over their estimated useful lives as follows:

(i) Intangible Assets: IT Software

Expected useful life of IT equipment is three years from acquisition. The estimate of the useful life of IT software development is capped at five years, subject to the following:

- a. Oracle will be fully amortised to 30 April 2017; and
- b. Data Centre Hosted Services are being amortised for five years from the commencement of the contract on 1 June 2012.

(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 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 profit and loss account.

(f) Contribution to 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 the profit and loss account 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 the profit and loss account 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 balance sheet. The assets of the plan are held separately from the Group and Company in independently administered funds.

Notes to the Financial Statements

for the year ended 31 March 2017

1. Accounting policies (continued)

(f) Contribution to pension schemes (continued)

(ii) Multi-employer defined benefit pension scheme

From 1 October 2012, participation in accrual of benefits in the DBS ceased and employees either remained in the DBS or became a member of the GPP. 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.

(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 balance sheet 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 Smith & Williamson, taking account of factors including sales, funds under management, a price / earnings multiple and the dividend yield.

(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.

Notes to the Financial Statements

for the year ended 31 March 2017

1. Accounting policies (continued)

(g) Share based payments (continued)

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 Smith & Williamson, taking account of factors including sales, funds under management, a price / earnings multiple and the dividend yield.

(h) Taxation

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

(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 in the basis of tax rates and laws that have been enacted or is 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 balance sheet 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 balance sheet date.

(i) Operating leases

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

Notes to the Financial Statements

for the year ended 31 March 2017

1. Accounting policies (continued)

(j) Basis of consolidation

The Group consolidated financial statements for the year ended 31 March 2017 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.

(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.
- (ii) The Group holds another financial asset, its investment in Worthstone Limited, which was measured at fair value upon initial recognition. In accordance with FRS 102 paragraph 11.14(d), if the shares of such a financial instrument are publicly traded or its fair value can be measured reliably, the investment shall be measured at fair value with any changes in fair value being recognised in the profit and loss account. All other such investments shall be measured at cost less impairment.

(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. 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.

Notes to the Financial Statements

for the year ended 31 March 2017

2. Critical accounting judgements and estimation uncertainty (continued)

(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.

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.

	Notes	2017 £'000	2016 £'000
Fees from pooled funds	18	27,936	24,288
Other fees		1,972	1,746
		<u>29,908</u>	<u>26,034</u>

4. Administrative expenses

	Note	2017 £'000	2016 £'000
Administrative expenses included:			
Staff costs	5	14,874	13,187
Other administrative costs		6,625	5,615
Depreciation of tangible assets		256	286
Amortisation of intangible assets		115	454
Operating lease costs for premises		468	448
Auditors remuneration:			
Fees payable to the Company's auditor for the audit of the Company and the Group's consolidated financial statements		34	37
Fees payable to the Company's auditor for other services:			
-Audit of the Company's subsidiary		9	11
-Audit-related assurance services of the Company and the Company's subsidiary		48	18
-Tax compliance services of the Company and the Company's subsidiary		50	36
Foreign exchange		10	16
Amounts written off investments		40	-
		<u>22,529</u>	<u>20,108</u>

Notes to the Financial Statements

for the year ended 31 March 2017

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:

	2017	2016
	Number	Number
Administration and Finance	45	38
Investment Management and Research	31	31
Business Development and Client Service	24	21
Company Secretarial and Assurance	10	9
	<u>110</u>	<u>99</u>

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

The costs incurred in respect of these employees were:

	2017	2016
	£'000	£'000
Wages and salaries	11,330	9,428
Share-based payments	604	206
Social security costs	1,493	1,239
Other pension costs	869	841
	<u>14,296</u>	<u>11,714</u>
Other staff costs	578	1,473
	<u>14,874</u>	<u>13,187</u>

Details of Directors' remuneration can be seen on pages 19 and 20 within the Directors' Remuneration Report. The Executive Directors 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.

The cost of contributions payable by the Company to the DCS administered by the Church Workers Pension fund amounted to £67,000 (2016: £54,000). Contributions amounting to £9,000 (2016: £7,000) were outstanding at the year end. Life assurance costs for this Scheme amounted to £6,000 (2016: £5,000).

The cost of contributions payable by the Company to the GPP amounted to £761,000 (2016: £765,000). Contributions amounting to £nil (2016: £102,000) were outstanding at the year end.

Life assurance costs for members outside the Church Workers Pension fund amounted to £28,000 (2016: £31,000).

Notes to the Financial Statements

for the year ended 31 March 2017

5. Employees and Directors (continued)

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 note 1(f)). Expenses charged amounted to £8,000 in the year to 31 March 2017 (2016: £8,000).

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.

A valuation of the DBS is carried out once every three years, the most recently available being as at 31 December 2013. The next valuation of the Fund is due as at 31 December 2016 and work for this will be completed during the second half of 2017. This valuation may produce a deficit, which is as yet unquantifiable. This is a contingent liability, as the financial effects cannot be measured and as such it is not provided for in these financial statements.

Information relating to the valuation as at 31 December 2013 is as follows:

Market value of the DBS in total	£159.5m
Market value of the CCLA sub-pool	£12.1m
Market value of the Life Risk Pool	£138.0m

As at 31 March 2017, the Company's section of the DBS had 52 deferred members, 20 pensioner members and no active members. As at 31 March 2016 these were 53, 19 and nil respectively.

Other Pension costs

The Company incurred other pension costs of £41,000 (2016: £22,000) 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, 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 £310,000 (2016: £234,000), including employer's National Insurance. The liability in respect of these awards is included in

Notes to the Financial Statements

for the year ended 31 March 2017

5. Employees and Directors (continued)

accruals. As at 31 March 2017, the liability totalled £544,000 (31 March 2016: £234,000), 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. 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 2017, Other Reserves totalled £333,000 (31 March 2016: £nil), with a provision of £46,000 (31 March 2016: £nil) 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. On 31 March 2017, nil-cost options were awarded over the equivalent of 4,510.62 ordinary shares in the Company and these constituted all of these options outstanding as at 31 March 2017 (2016: nil). There were no option exercises during the year.

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

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.

Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account 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.

6. Exceptional items

This charge for the Group relates to non-recurring project costs of £642,000 arising in relation to costs of upgrading and replacing CCLA's operational processes and infrastructure, including the initial stages of the replacement of the fund registration system. The prior year charge of £313,000 arose in relation to an outsourcing project which completed in that year.

Notes to the Financial Statements

for the year ended 31 March 2017

7. Tax on profit

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

	2017 £'000	2016 £'000
Current tax:		
UK corporation tax on the profit for the year	1,534	1,321
Total current tax	1,534	1,321
Deferred tax	(46)	(122)
Total deferred tax	(46)	(122)
Adjustments in respect of prior periods	-	20
Tax on profit on ordinary activities	1,488	1,219

(b) The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK and the difference is made up as follows:

	2017 £'000	2016 £'000
Profit before taxation	6,823	5,707
UK corporation taxation on profits at 20% (2016: 20%)	1,365	1,141
Effects of:		
Expenses not deductible for tax purposes	81	69
Depreciation for the year (below)/in excess of capital allowances	(30)	43
Provisions tax adjustment	118	68
Movements in deferred tax	(46)	(122)
Adjustments in respect of prior periods	-	20
Tax on profit	1,488	1,219

(c) Deferred tax asset

	2017 £'000	2016 £'000
At beginning of year	359	237
Amounts credited to profit and loss	46	122
At end of year	405	359
Deferred tax consists of the following timing differences:		
Accelerated capital allowances	284	290
Other timing differences	209	69
Effects of change in tax rate	(88)	-
	405	359

Notes to the Financial Statements

for the year ended 31 March 2017

8. Intangible and Tangible Assets

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

Group and Company

	Intangible IT Software £'000	Tangible Leasehold Improvements £'000	General Equipment £'000	Total Tangible £'000	Total Assets Total £'000
Cost					
At 1 April 2016	5,599	792	1,462	2,254	7,853
Additions	5	31	118	149	154
Written off	(1,584)	-	-	-	(1,584)
At 31 March 2017	4,020	823	1,580	2,403	6,423
Accumulated amortisation / depreciation					
At 1 April 2016	5,476	294	1,236	1,530	7,006
Charge for year	115	93	163	256	371
Written off	(1,584)	-	-	-	(1,584)
At 31 March 2017	4,007	387	1,399	1,786	5,793
Net book value					
At 31 March 2016	123	498	226	724	847
At 31 March 2017	13	436	181	617	630

9. Debtors

	Group 2017 £'000	Company 2017 £'000	Group 2016 £'000	Company 2016 £'000
Trade debtors	2,946	1,386	2,384	1,183
Amounts due from subsidiary undertaking	-	1,350	-	1,100
Other debtors	63	63	94	94
Deferred tax	405	405	359	359
Prepayments and accrued income	884	884	738	738
	4,298	4,088	3,575	3,474

Notes to the Financial Statements

for the year ended 31 March 2017

9. Debtors (continued)

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 cost less impairment, as the fair value cannot be measured reliably. The investment has been impaired during the year and impairment losses recognised in administrative expenses.

	Group 2017 £'000	Company 2017 £'000	Group 2016 £'000	Company 2016 £'000
Worthstone Limited	-	-	40	40
	-	-	40	40

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: Amounts falling due within one year

	Group 2017 £'000	Company 2017 £'000	Group 2016 £'000	Company 2016 £'000
Accruals and deferred income	2,118	2,107	2,170	2,158
Trade creditors	344	339	690	690
Corporation tax	795	407	487	417
Other taxation and social security	2,954	2,217	2,451	1,825
	6,211	5,070	5,798	5,090

Notes to the Financial Statements

for the year ended 31 March 2017

14. Called up share capital

Group and Company

	2017 £'000	2016 £'000
Authorised:		
440,000 (2016: 440,000) Ordinary shares of £1	440	440
60,000 (2016: 60,000) Ordinary non-voting shares of £1	60	60
5,500,000 (2016: 5,500,000) 'P' Ordinary shares of £1	5,500	5,500
	<u>6,000</u>	<u>6,000</u>
	2017 £'000	2016 £'000
Allotted and fully paid:		
215,302 (2016: 210,807) Ordinary shares of £1	215	211
26,000 (2016: 26,000) Ordinary non-voting shares of £1	26	26
4,950,000 (2016: 4,950,000) 'P' Ordinary shares of £1	4,950	4,950
	<u>5,191</u>	<u>5,187</u>

During the year the Company issued 4,495 Ordinary shares of £1 (2016: 2,916) in respect of a Long Term Incentive Plan for a net share premium of £508,744 (2016: £243,457). The Company did not issue Ordinary non-voting shares or 'P' Ordinary shares during the year.

Shareholders as at 31 March 2017 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.

21,350 Ordinary shares are owned by the current Executive Directors.

3,285 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 2017

15. Equity dividends

	2017 £'000	2016 £'000
Interim Dividend		
P Ordinary Shares	148	148
£0.03 (2016 £0.03) per £1 share		
Ordinary Shares	1,448	711
£3.00 (2016 £3.00) per £1 share		
Total dividend paid	<u>1,596</u>	<u>859</u>

16. Reconciliation of cash flows from operating activities

	2017 £'000	2016 £'000
Profit for the financial year	5,335	4,488
Interest receivable	(86)	(94)
Tax on profit on ordinary activities	1,488	1,219
Operating Profit	<u>6,737</u>	<u>5,613</u>
Depreciation expense	256	286
Amortisation expense	115	454
Increase / (decrease) in creditors	106	3,391
Increase in debtors	(1,003)	(2,049)
Amortisation of equity settled awards	333	-
Net cash from operating activities	<u>6,544</u>	<u>7,695</u>

17. Commitments

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

	2017 £'000	2016 £'000
Within one year	560	560
Between one and five years	2,037	2,238
Over five years	-	358
	<u>2,597</u>	<u>3,156</u>

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.

At the date of signing of these financial statements, the Company has not yet had confirmation of the rental review which will be effective as at 13 February 2017, so commitments above represent the rent before any review.

Notes to the Financial Statements

for the year ended 31 March 2017

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 2017 £'000	Company 2017 £'000	Group 2017 £'000	Company 2017 £'000
The Church of England Investment Fund and other CBF Funds	8,791	8,791	8,124	8,124
COIF Charities Investment Fund and other COIF Charity Funds	14,818	-	13,190	-
LAMIT	4,327	132	2,974	125

The above mentioned related parties are shareholders in the Company.

At the year ended 31 March 2017 there are outstanding related party transactions as follows: £847,000 due to the Group and Company from the CBF Funds (2016: £704,000) and £1,553,000 due to the Group from the COIF Funds (2016: £1,201,000).

Refer to note 5 and the Directors' remuneration report, pages 19 and 20, for 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 2016 £	Loans made during the year £	Loans repaid during the year £	Interest charged during the year £	Amortisation during the year £	Loan due at 31 March 2017 £
Michael Quicke	277,134	106,187	(16,832)	1,376	-	367,865
James Bevan	165,813	98,195	(10,135)	861	-	254,734
Andrew Robinson	165,813	98,195	(10,135)	861	-	254,734
Adrian McMillan	166,620	228,360	(9,500)	1,005	-	386,485
Total	775,380	530,937	(46,602)	4,103	-	1,263,818
Amortisation (i)	(219,325)	-	-	-	(122,635)	(341,960)
Total	556,055	530,937	(46,602)	4,103	(122,635)	921,858

- (i) 50% of the value of the initial loan values are amortised by CCLA after five years from the date of issue; the rest is due to be repaid.

Notes to the Financial Statements

for the year ended 31 March 2017

18. Related party transactions (continued)

Feature of these loans to Executive Directors are as follows.

- (a) Repayments of loans each year are of 5% of the outstanding loan per annum.
- (b) The loans carry an interest rate which is variable, based upon published rates.
- (c) The loans do not have any effect on Directors' emoluments disclosed on page 20 until such time as the amortisation referred to in (i) above is applied to the loan.

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 2017 £'000	Company 2017 £'000	Group 2016 £'000	Company 2016 £'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

Five Year Financial History (unaudited)

Years to 31 March	*Funds under management £ million	Revenue £'000	Pre-tax profit before exceptional items £'000	Exceptional non-recurring and one off items £'000	Dividends paid £'000	Pre-tax profit/(loss) £'000	Capital and reserves £'000
2013	4,629	16,974	1,213	-		1,213	11,752
2014	4,943	19,743	2,556	-		2,556	13,780
2015	5,674	22,196	4,525	(182)	(499)	4,343	16,739
2016	6,009	26,034	6,020	(313)	(859)	5,707	20,615
2017	7,161	29,908	7,465	(642)	(1,596)	6,823	25,200

* Value of funds at year end managed by CCLA Investment Management Limited and CCLA Fund Managers Limited

Company Information

Directors Richard Horlick – Chairman*
Rosemary Norris*
Trevor Salmon*
John Tattersall*
Richard Williams*

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

* Non-Executive Director

Company Secretary Jackie Fox

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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 St, London EC4N 4TR

CCLA provides investment management and administrative services for the following Funds.

The CBF Church of England Funds

The CBF Church of England Deposit Fund
The CBF Church of England Fixed Interest Securities Fund
The CBF Church of England Global Equity Income Fund
The CBF Church of England Investment Fund
The CBF Church of England Property Fund
The CBF Church of England UK Equity Fund

COIF Charity Funds

COIF Charities Deposit Fund
COIF Charities Fixed Interest Fund
COIF Charities Global Equity Income Fund
COIF Charities Investment Fund
COIF Charities Ethical Investment Fund
COIF Charities Property Fund

Local Authorities' Mutual Investment Trust

Local Authorities' Property Fund

The Public Sector Deposit Fund

CCLA Authorised Contractual Scheme

CCLA Diversified Income Fund

CCLA also provides segregated discretionary investment management services.

For more information on these Funds please contact our Client Services Department:

Freephone: 0800 022 3505
Facsimile: 0844 561 5126
Email: clientservices@ccla.co.uk
or visit our website: www.ccla.co.uk

The Company is registered in England and Wales No. 2183088 and is authorised and regulated by the Financial Conduct Authority.