

CCLA Investment Management Limited

ANNUAL REPORT & AUDITED
FINANCIAL STATEMENTS

For the year ended 31 March 2020



CCLA
GOOD INVESTMENT

**CCLA provides investment management products
and services to charities, religious organisations
and the public sector.**

**Our purpose is to help our clients maximise their impact
on society by harnessing the power of investment markets.**

**This requires us to provide a supportive and stable
environment for our staff and deliver trusted, responsibly
managed and strongly performing products and services
to organisations, irrespective of their size.**

CCLA
GOOD INVESTMENT

Contents

04	Activities and Objectives ¹
11	Business Environment and Performance ¹
19	Chairman's Statement ¹
21	Chief Executive's Review ¹
23	Engaging with our Stakeholders ²
26	Other Disclosures ²
31	Board Profiles ²
35	Corporate Governance Report
44	Independent Auditors' Report
48	Consolidated Statement of Comprehensive Income
49	Consolidated Statement of Financial Position
50	Company Statement of Financial Position
51	Consolidated Statement of Changes in Equity
52	Company Statement of Changes in Equity
53	Consolidated Statement of Cash Flows
54	Notes to the Financial Statements
75	Longer term trends in performance (unaudited)
77	List of organisations that we have supported during the year
78	Company Information

¹ These sections comprise CCLA's Strategic Report

² These sections comprise CCLA's Directors' Report

Disability Discrimination Act 1995

Extracts from the Annual Report & Audited Financial Statements are available in large print and audio formats and can be requested from Alison.Jermey@ccla.co.uk.

Activities and Objectives

The Directors submit their report and audited consolidated financial statements for the year ended 31 March 2020. The consolidated financial statements for CCLA include the results of the Company and its wholly-owned subsidiary, CCLA Fund Managers Limited ('CCLA FM').

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

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

Our client base is as follows:

Type of client	Funds under management at 31 March 2020	Funds under management at 31 March 2019
Charities	£5,561m (56.8%)	£5,015m (55.4%)
Church of England organisations	£2,344m (24.0%)	£2,347m (25.9%)
Local authority and public sector	£1,882m (19.2%)	£1,691m (18.7%)
Total	£9,787m	£9,053m

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

Fund type	Funds under management at 31 March 2020	Funds under management at 31 March 2019
Mixed funds	£6,662m	£5,911m
Short-term cash funds	£2,580m	£2,232m
Property funds	£1,846m	£1,752m
Other specialist funds	£507m	£524m

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

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

Fund flows by fund type	Year to 31 March 2020 £m	Year to 31 March 2019 £m
Mixed funds	741	419
Short-term cash funds	173	245
Property funds	112	188
Other specialist funds	(19)	(4)
Total	1,007	848

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

Size of client	Number of clients	Funds under management	Average client size
£0 to £10,000	12,500	£43m	£3,460
£10,000 to £500,000	20,100	£1,590m	£79,400
£500,000 to £5,000,000	1,590	£2,500m	£1,570,000
Over £5,000,000	358	£5,840m	£16,300,000

Client numbers exclude nil balances and all figures above are approximate and have been rounded to three significant figures.

Type of client	Number of clients	Number of client accounts
Charities	21,900	37,200
Church of England organisations	11,800	42,700
Local authority and public sector	767	1,280
Total	34,500	81,100

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

The majority of our clients invest with us through our pooled funds. We also provide segregated portfolio management for a small number of large clients. Further details about our products and services are available on our website www.ccla.co.uk.

Our approach to investment management

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

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

Year to 31 December 2019	Fund size at: 31 December 2019 £m	Distribution for the year £m	Fund yield 31 December 2019 %
Income and accumulation			
COIF Charities Investment Fund	2,820	79.8	3.03
The CBF Church of England Investment Fund	1,649	47.5	2.95
COIF Charities Ethical Investment Fund	956	26.4	3.13
Income			
Local Authorities Property Fund	1,200	49.9	4.34
COIF Charities Property Fund	621	34.3	5.49
Diversified Income Fund	180	5.0	3.15**

**Dividend yield on price relates to unit class 2.

In respect of the year to 31 December 2019, CCLA long-term and cash funds distributed a total of £288m (year to 31 December 2018: £238m) to our clients to support their work. The maintenance and growth of long-term fund distributions per share for our mixed funds is a core KPI.

Our flagship pooled mixed funds for charities and Church of England organisations have performed strongly against comparators and competitors.

This outperformance has meant that our clients have significantly more capital than if they had invested in the average charity mixed fund. The performance of these funds is a core KPI.

Fund performance	Year to 31 December					Cumulative five year performance %
	2019 %	2018 %	2017 %	2016 %	2015 %	
COIF Charities Investment Fund	21.64	0.58	12.45	14.36	5.17	65.48
The CBF Church of England Investment Fund	22.41	1.81	12.76	15.28	5.46	70.85
COIF Charities Ethical Investment Fund	22.18	0.48	11.80	14.43	4.71	64.47
ARC Steady Growth Charity Index***	15.64	(4.85)	9.44	12.59	2.12	38.46

Source: CCLA

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

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

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

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

Improving corporate behaviour through engagement is an important part of maximising long-term sustainable investment returns as well as supporting the work of our clients. Through the reporting year, we engaged with 525 companies (2019: 426) on topics including childhood obesity, modern day slavery in supply chains, the risk of stranded fossil fuel assets and poorly aligned executive pay.

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

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

In 2019, CCLA were awarded the highest grade (A+) for all of our mandatory reporting areas. This included: our responsible investment strategy, active ownership, ESG integration in listed equity and property investment processes. Our full assessment report is available on our website. Our PRI grades are a core KPI.

CCLA recognises the ability for climate change to affect the value of investments and publicly supports the findings of the Taskforce on Climate Related Financial disclosure. We publish details of our approach to managing the risks and opportunities associated with the transition to a low carbon economy in our annual Responsible Investment Report. CCLA is a tier one signatory to the Stewardship Code and we disclose comprehensive details in our annual Responsible Investment Report.

Client service and administration

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

With such a large client base, we provide a differentiated service depending upon the needs of the clients. For those with the simplest requirements, we have an experienced in-house team of client service staff able to answer client questions. We have 14 members of staff available to talk to these clients, and a further 13 members of staff processing their instructions. Over the last twelve months, we have processed 73,158 client instructions.

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

Over the last twelve months there were a total of 167 errors, which equates to approximately 1 error for every 438 instructions (0.2%). As a result of these errors, CCLA received 8 upheld complaints (as defined in the Financial Conduct Authority ('FCA') Handbook), which equates to approximately 1 complaint for every 9,145 instructions (0.01%). Of the errors, 39 required compensation totalling £164,000. Additionally, over the same period, CCLA had 5 breaches that required notification to the FCA. Our error, complaint and breach levels are core KPIs.

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

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

Our shareholders

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

Owner of Voting and Non-Voting Ordinary Shares as at 31 March 2020	Number of shares	Percentage of shares
The CBF Church of England Investment Fund	130,000	53.69%
COIF Charities Investment Fund	54,167	22.37%
The Local Authorities Mutual Investment Trust (LAMIT)	32,500	13.42%
Current and former Executive Directors	18,803	7.77%
CCLA Employee Share Trust	6,667	2.75%
Total	242,137	100.00%

Current and former Executive Directors acquired their shares under a Long Term Incentive Plan which is disclosed in detail on page 73. Employees granted deferred bonuses have the option of linking the value of their deferred bonus to CCLA shares, in which case they receive CCLA shares when they vest. This scheme is disclosed in more detail on pages 64 to 65.

In May 2018, CCLA established an Employee Share Trust in order to provide a mechanism to satisfy sales and grants under the deferred bonus scheme and Long Term Incentive Plan without calling on the three major shareholders.

For the major shareholders, their investment in CCLA is small compared with the size of their funds. For the CBF Church of England Investment Fund, it represents 2.87% and for the COIF Charities Investment Fund 0.67%. The nature of this relationship means what is in the long term interests of the clients is not in conflict with maximising the value of CCLA.

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

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

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

Position as at 31 March	2020 £'000	2019 £'000
Shareholder funds	32,617	27,614
Regulatory capital following the audit	30,246	25,168
Regulatory capital requirement	6,750	6,571
Surplus over minimum regulatory capital	23,496	18,597
Target minimum regulatory capital	18,200	17,770
Surplus over target minimum regulatory capital	12,046	7,398

The regulatory capital requirement stated above is calculated to be the Group's Pillar 1 capital requirement (as defined in the FCA's rules). The Pillar 2 capital requirement has been calculated as £5,713,000 (2019: £3,912,000). Our Pillar 1 capital requirement has therefore been used as it is the greater of the two. The relationship between our Pillar 1 and Pillar 2 capital requirement is a core KPI. Shareholder funds and regulatory capital increased during the year as a result of retained profits.

Business Environment and Performance

Our market share and trends in our markets

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

Managing assets for charities

The most recent Charity Finance Survey, published in November 2019 but based on data as at 30 June 2019, showed CCLA as the second largest manager of charity assets in the UK, but with by far the largest number of clients. The total funds captured by the Survey were £75.6 billion, and whilst there will be other charity assets not captured by the Survey, it is a useful working measure of the size of market for charity assets in the UK. Based on this total, CCLA has a market share of approximately 12%.

Analysing the market in more detail indicates that we have a market share of 41% of the market for charity mixed asset funds, which is our principal product focus. This is an increase from 37% as at 30 June 2018, and it means that we are by some way the market leader in this asset category.

Whilst it appears that the total value of charity assets under management, when adjusted for market movements, did not change much between the 2018 Survey and the 2019 Survey, the way in which these assets are invested, is changing. There is a trend for assets to move from segregated portfolios, to pooled funds, a trend which CCLA is driving to a considerable extent. We believe that cost efficiencies as well as superior fund performance, are contributing to this trend.

There is a market wide trend away from single asset class funds (pure equity funds and pure bond funds), towards mixed asset funds. Charities in aggregate are adopting more diversified investment strategies. We believe that this reflects a recognition that investment management needs to become more sophisticated and global, combined with concerns about the increasing concentration of the UK stock market and uncertainty about long term domestic economic growth.

The strong directional trend towards index-tracking that is so dominant in other parts of the investment management world, is not obviously apparent in the charity market. Some charity assets are managed on a passive basis, but we are not seeing the wholesale movement of assets that have come to be associated with institutional pension funds for example. We believe that this is because charities are looking for managed solutions rather than trying to buy market exposure at the lowest possible cost. Charities expect managers to take responsibility for asset allocation, and increasingly they expect managers to actively manage reputational risk so as to prevent investment in companies whose behaviour could be contrary to the purposes of many charity investors.

Managing assets for local authorities

Our public sector clients comprise local authorities investing their treasury balances. These balances were approximately £46 billion as at December 2019, which was an increase from £32 billion the year before. The first significant increase for several years. Based on this total, our local authority assets of £1.9 billion gave us market share of approximately 4%.

Historically, local authorities tended to invest the largest proportion of their assets into deposits with banks and building societies. However, over the past few years, their use of money market funds has been growing, and although the trend appears to have slowed somewhat, they still increased their assets in money market funds from £8.3 billion in 2018 to £8.5 billion in 2019. Our Public Sector Deposit Fund had assets of £530m in December 2019 and has since passed the £1 billion assets threshold, which is likely to be advantageous in marketing terms.

We think that the published data somewhat understates the use of money market funds, because some local authorities may aggregate their money market investments into a wider categorisation of pooled fund assets. Local authorities also invest in bond, equity and property funds, where they can take a longer term view for some of their treasury money, and with the objective of building up a long-term source of investment income.

In December 2019, local authorities had £3.8 billion invested in what central government describe as 'externally managed funds'. Some of these assets were probably money market funds, so we cannot determine the precise extent of local authority investment in risk asset funds, but it does appear that our Diversified Income Fund, which had assets of £180m in December 2019, has captured a significant share of this market.

Sector Involvement

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

Over the last twelve months, we ran or supported 363 events, of which 206 took place at our offices, involving over 4,680 people and 157 took place at various locations throughout the UK. The value of this support is a core KPI, which was in excess of £2m in the year to 31 March 2020.

Section 172 Statement

The Directors of CCLA recognise that the long-term success of a business and the creation of value is dependent not only on its shareholders, but on maintaining relationships with all of its stakeholders and considering the external impact of the company's activities.

CCLA's key stakeholders can be defined within the following groups:

Clients
Shareholders
Employees
Communities and environment
Regulators and government
Suppliers

Pages 23 to 25 of the Directors Report provide a summary of CCLA's engagement with each stakeholder group in communicating key messages of the business model, future strategies with the company's business chain and environment as well as core values.

Our people

The success of CCLA is dependent on the skills and qualities of our staff and their ability to work constructively together to achieve our aims. The quality and behaviour of our staff is what drives the performance of our funds, the relationship with our clients, manages our risks and therefore drives our purpose. With this in mind, CCLA has committed to strong employee engagement, providing a clear sense of corporate purpose and direction within a fair, supportive and transparent working environment. We are firmly committed to evolving our people policies and practices and having continued high levels of employee engagement. We promote a culture where we recruit and retain individuals whose values match those of our business. CCLA wants to be an employer of choice in our industry.

In the year to 31 March 2020, our full time equivalent average headcount was 137, which compares with 132 in the previous year. Unintentional staff turnover (excluding, for example, redundancies, end of fixed term contracts and retirements) is a core KPI, and for the year to 31 March 2020 this was 10%, compared with 12% in the previous year.

Our gender mix as at 31 March 2020 remains the same as in the previous year at 54% male and 46% female. Our gender pay gap statistics as at 31 March were as follows:

	2020 %	2019 %
Mean gender pay gap in hourly pay	27.1	27.7
Median gender pay gap in hourly pay	37.3	32.0
Mean bonus gender pay gap	61.8	63.0
Median bonus gender pay gap	64.2	54.5

In 2020, 99% of males and 97% of females received a bonus payment (2019: All males and females received a bonus payment).

The proportion of males and females in each pay quartile:

	2020		2019	
	Male %	Female %	Male %	Female %
First quartile	71.4	28.6	72.7	27.3
Second quartile	61.8	38.2	56.3	43.8
Third quartile	50.0	50.0	50.0	50.0
Fourth quartile	36.8	63.2	39.4	60.6

Gender pay gap reporting has been designed for larger companies than CCLA and some of the disclosures result in volatile figures for a firm of CCLA's size. Mean figures are heavily influenced by small groups of higher earners. Median figures are meant to show a view of the pay of typical or middle earning staff, but are a crude measure, just taking the pay of the 'middle person' in each gender.

We recognise that our gender pay gap remains too high. One of the main contributors to the gap is that there are a higher number of females being recruited into junior roles, as well as more males than females into managerial roles. Our gender pay gap is a core KPI. To address the gender pay gap, we have implemented unconscious bias training, and have continued to commit to ensuring there are balanced shortlists in recruitment. We are committed to facilitating a cross-CCLA diversity focus group to support and promote change as we move forward. For the longer-term, we continue to commit to developing performance potential and have been working with external organisations to broaden the diversity of our talent pipeline.

Proactive and effective succession planning is a central part of ensuring continuity of performance, service and administration for clients. Long-term planned succession is a useful opportunity to develop talent and potential within the organisation, and wherever possible and appropriate we promote from within. As well as ensuring that we have a deeper understanding of an individual's strengths and weaknesses before putting them into a position of greater authority and responsibility, internal promotion provides a mechanism to broaden diversity in areas where it is more difficult to achieve through external recruitment.

It is also important that we are ready for unplanned succession, and to reduce this impact, we aim to ensure that all our activities are based on the skills of a team rather than any single individual. In the event of an unplanned succession where there is no natural successor, a team is well placed to provide effective cover during the recruitment of an external replacement.

Training and Development

	2020 £	2019 £
Training and development spend	120,586	118,449

The past few years have seen an increase in CCLA's headcount and therefore an increase in training and development expenditure. Our focus is in ensuring our staff are fully trained and developed to efficiently and effectively carry out their roles and to progress their career within our business. We need exceptional staff and leaders who champion our culture, live our values and facilitate high performance, and a highly talented, diverse and motivated workforce who are empowered and engaged through working in a collaborative inclusive and supportive working environment. CCLA is committed to developing its talent potential. CCLA wants to be an employer of choice in our industry.

Employee Share Trust

The settlement of the CCLA Employee Share Trust ('the Trust') was made on 30 May 2018. The purpose of the CCLA Employee Share Trust is to buy and sell shares in the Company in order to provide an internal market for shares in connection with shareholdings arising from the CCLA Long Term Incentive Plan and deferred bonus plans. No benefits are provided to employees or ex-employees by the Trust apart from the provision of liquidity in the Company's shares.

The Trust is established in Jersey. The trustee is RBC cees Trustee Limited in Jersey.

Share Incentive Plan

After the year end, a Share Incentive Plan ('SIP') has been established by the Company. The SIP is a UK tax-approved all-employee share plan, whereby CCLA shares are bought by employees, with matching shares provided by the Company, and are held in a SIP Trust. The SIP commenced in April 2020. The SIP Trust is provided by Link Market Services Trustees Limited.

Modern Slavery Act

We are committed to respecting human rights in all our operations and, whilst CCLA is a small business with a limited number of suppliers, we are aware that modern slavery¹ is likely to be present in the supply chain of nearly every company. For this reason, we assess potential suppliers' approach to addressing modern slavery prior to us entering into a business arrangement. We also regularly review the approach taken by our existing suppliers and pay particular attention to the 20 largest. Where we have questions or concerns, we meet with the management of the supplier in question. During the reporting year our analysis identified one supplier that operates in a high-risk sector but does not meet the revenue threshold required to report under the Modern Slavery Act. For this reason, we met with them to discuss their approach to sourcing the materials that they use.

Whilst our direct operations are limited to the UK, we invest our clients' assets in businesses that have global operations and supply chains. As a consequence, we believe that our highest exposure to modern slavery is likely to be through the companies and assets held in client portfolios.

¹For the purposes of this statement modern slavery is defined as modern slavery, servitude, forced or compulsory labour and human trafficking.

We recognise the important role that investors can play in the global fight to end modern slavery. For this reason, CCLA have created the 'Find It, Fix It, Prevent It' investor initiative that aims to bring investors together to help improve the efficacy of corporate actions to find and fight modern slavery in their supply chains. To date this programme has received the support of investors with assets under management in excess of three trillion pounds, has filed a response to the UK Government's Transparency in the Supply Chain consultation and worked with experts in the field to develop a comprehensive 'company expectations' document that will guide investor engagement with companies.

CCLA's Chief Executive is responsible for the implementation of this policy and our wider adherence with the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards. He is assisted in this by the company's Modern Slavery Working Group, which includes members from each of our major business areas.

Our environmental impact

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

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

During the year to the end of March 2020, client portfolios have been managed in a way which ensures that they have a carbon footprint, and wider environmental, social and governance ratings, that are substantially lower and better than that of the world stock market indices.

Principal risks and uncertainties

Through its governance framework which includes the Board of Directors supported by the Audit, Assurance and Investment Risk committees, CCLA mitigated its risks by reviewing the reports and MI provided at these committee and board meetings and ensuring appropriate actions have been taken to address significant issues or findings. Apart from the internal Assurance team, which provides advice to and monitoring of the business and reporting to the committees, internal audit reviews are carried out by an independent party, Grant Thornton.

The key risks to Asset Managers such as CCLA are as follows:

Regulatory Risk (including Change): The ongoing scrutiny of the FCA on the investment management sector means that CCLA needs to keep abreast of changes to rules which may impact its operation and processes as well as areas of focus by the regulator. In January 2020, the FCA wrote to CEOs of all investment management firms outlining their view of the key risks of harm that Asset Managers pose to their customers and the markets in which they operate. The seven key areas driving the FCA's supervisory approach are:

1. Liquidity Management – ensuring effective liquidity management in funds
2. Firm's governance
3. Asset Management Market Study remedies
4. Product Governance
5. Libor transition
6. Operational Resilience
7. EU Withdrawal

We expect the area of Conduct Risk to continue to be at the forefront of the regulatory agenda.

In terms of key regulatory development for Asset Managers such as CCLA given its inherent ethical and responsible investment process, the Shareholder Rights Directive II ('SRD II') came into effect last year with a new UK Stakeholder Code issued by the FRC with effect from January 2020. This brings about a more prescriptive way in which CCLA engages with its investee companies and reports on the process to its clients.

Market Risk: the market valuation of the assets (whether listed or unlisted) held in the portfolios managed by CCLA has a direct impact on its revenue. The second half of the financial year saw persistent volatility in the markets which became more pronounced with the outbreak of the COVID-19 virus from December 2019 onwards.

Operational Risk: inadequate or insufficiently controlled processes or systems can cause actual financial or reputational harm to CCLA which is higher than expected which is why an appropriate operational risk framework needs to be in place which includes risk event management and risk registers.

Technology (including Cyber) Risk: Investment managers are generally heavily reliant on robust and reliable technology, which underpins the smooth operation of their businesses and the protection of client assets. Thus CCLA needs to ensure it manages its technology and cyber risk appropriately. Indeed in December 2019, the FCA published its consultation paper on its proposals for building and strengthening operational resilience within the firms it regulates.

Financial Crime (including Fraud) Risk: Whilst CCLA's activities and clients remain inherently lower risk, the advent of the 5th Money Laundering Directive from January 2020 meant that greater documentation or evidential proof is needed to validate the risk assessment. There are also greater expectations over the screening of PEPs with regulated firms needing to have in place appropriate risk management systems and procedures to determine whether a customer or the beneficial owner of a customer is a PEP, or a family member or known close associate of a PEP. In the case of trusts, the beneficial owners include any individual who exercises control over the property of the said trusts.

Our infrastructure

Throughout the year we have progressed with improvements to our infrastructure. We are in the process of extending our use of Microsoft 365, with the adoption of Teams and this will soon be followed by the implementation of SharePoint and OneDrive. The servicing of clients continues to be central to our work and, therefore, we have adopted an industry leading report production system, with an enhanced performance calculation tool. Additionally, a new tool has been implemented to support the cash management team in running our deposit funds, as well as a further system to support the regulatory reporting required under the European Money Market Fund regulation.

Drawing on the expertise of a leading firm of investment management consultants, we have been working on finalising the road map for our core operating systems and now have a clear plan for the delivery of a replacement for our transfer agency system. A review is also underway for our client relationship management system and our digital capabilities. The outcomes of these reviews will be announced shortly.

Our tax strategy

CCLA is not required by legislation to publish a tax strategy and, as a business exclusively operating in the UK, it does not face the tax issues of multinational groups. The Group's approach to tax issues is as follows:

1. CCLA aims to follow both the spirit and letter of the law regarding tax matters. The Group does not engage in tax evasion or contrived tax avoidance and seeks to pay the correct amount of all types of tax (including corporation tax, VAT, business rates and employment taxes). The Group's Jersey based Employee Share Trust has only been set up to provide liquidity in CCLA shares and is not used for tax avoidance purposes.
2. Governance of the firm's tax affairs sits with the Chief Financial Officer, reporting to the Chief Operating Officer. The Board and Audit Committee consider tax matters as part of their overall review of the Group's financial affairs. Advice is sought from professional advisers as appropriate.
3. Risks associated with tax relate to compliance and reporting, which may include risks of mispayments, interest charges or penalties. The Group seeks to minimise such risks by internal processes for checking tax returns and by seeking professional advice whenever needed.
4. The Group seeks to maintain an open and transparent relationship with HMRC.

Chairman's Statement

Never can there have been a greater contrast between the first 11 months of this financial year and the final month of March in CCLA's history. Once again CCLA has had a record year in delivering service to our clients and returns to our shareholders; however, at the end of December the small cloud on the horizon of an unexplained viral pneumonia in Wuhan was by March to become the global pandemic which is affecting dramatically nearly every life on the planet.

Even before this change in the wider environment, the year had seen substantial change at CCLA. The organisation as we know it had been developed and nurtured by our outstanding CEO for 13 years Michael Quicke, who retired during the course of the year. I would like to take this opportunity to pay tribute to Michael and to thank him on behalf of our clients, our staff and our shareholders for his contribution over the years. We wish him and his family all the best for a long and happy retirement.

Succession management is a key hurdle for any organisation. After an extensive search and interview process, Peter Hugh Smith joined CCLA in July 2019 as CEO and we have experienced a seamless transition from Michael's distinguished tenure. Moreover, we will also say goodbye in the coming year to John Tattersall, the Chair of our Audit Committee, who has served us so well for the last nine years and following best practice will tender his resignation in the summer. He is being replaced by Jonathan Jesty who brings a wealth of regulatory experience from his career as an audit partner at KPMG and global head of compliance at Schroders. Your Board has been further strengthened by the appointment of an additional Non-Executive Independent Director, Ann Roughead, who was formerly CEO of LV= Asset Management and holds a number of senior Non-Executive appointments.

Against this background of change and uncertainty our team have delivered extraordinary returns in all areas of our activity: record assets under management, record new business, record profitability, and outstanding investment returns for our clients. I would like to thank each and every member of our staff for their efforts, flexibility, dedication and sacrifice in adapting to the new circumstances we find ourselves in.

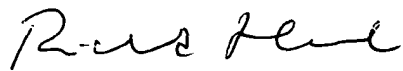
Fortunately, CCLA was well positioned for this crisis. For the last three years the Board has challenged the Executive to plan for a 30% bear market with the consequent external and internal shocks to our business. We had been examining more flexible remote working practices, including trialing Microsoft Teams. We have eschewed the mantra of 'lean and efficient balance sheets', preferring to take our guidance from Ecclesiastes and build very significant capital reserves in the fat years. Under Peter's clear and decisive leadership CCLA was able to transition to remote working for the majority of staff well before lockdown. The company has been able to maintain its services to clients at a very high standard despite the disruption many have experienced. Moreover, we have the financial reserves to maintain our significant investment programme to upgrade the infrastructure of the firm and to take care of all our staff without resort to government support.

Covid-19 has been caused by a novel pathogen and at the time of writing none of us know how the situation will resolve. Each week brings advances in understanding, in treatment and potentially in vaccines but also each week brings greater economic damage. Moreover, the coming year faces many other difficulties: the nature of Brexit, the rising US-Sino tensions, the deteriorating position in Russia, increasing divisions in Europe and a US presidential election between two elderly candidates. The only certainty is that the economic effect will be the worst recession that the vast majority of us will have experienced in our lifetime. This will bring the concomitant ills of poverty, ill health and deeper divisions in society piled on top of the tragedy of the Covid-19 death toll. In this coming crisis where the burden will fall heavily on our clients our purpose statement becomes more important than ever. We will continue to strive to do what we can to fulfil our obligations and help alleviate the burden on society.

Richard Horlick

Chairman

8 July 2020



Chief Executive's Review

I had the honour of joining CCLA as Chief Executive on 9 July 2019, succeeding Michael Quicke who retired after a hugely successful 13 years at the helm. I count myself extremely fortunate to have joined an amazing team of skilled professionals bound together by a strong culture of trust, collaboration, hard work and dedication to the sectors we serve. I would like to take this opportunity to thank every member of the CCLA team for their warm welcome.

The year has been one of continued success. Investment performance remained strong against both our comparator indices and competitors. Our focus on quality companies exposed to secular growth protected us from the worst of the market falls in March 2020 as the coronavirus pandemic escalated and many of the world's economies went into lockdown. Our assets under management grew from £9,053m to £9,787m over the year to 31 March 2020, an increase of 8.1%.

Inflows for the year exceeded one billion pounds for the first time in the company's history, with £834m being invested into long-term funds and £173m into short term funds. At an individual fund level, the COIF Investment Fund and the COIF Ethical Investment Fund attracted the greatest interest with net new flows of £344m and £221m respectively.

Our outreach programme across the three market segments of charities, the Church of England and local authorities is extensive and continues to expand, even in lockdown. This activity helps us to develop good relationships with our clients which, in turn, assists in achieving a deeper understanding of the requirements of current and prospective investors.

The end of the year was dominated by the unfolding coronavirus pandemic. As the situation evolved during March 2020 the CCLA Executive Committee took a series of steps to protect staff and allow the business to continue to meet its client and regulatory obligations. On 17 March, the Executive Committee met and agreed to cancel all meetings scheduled to be held at Senator House and to instruct staff that they should only attend client meetings virtually until the end of April. By Friday 20 March, CCLA was largely operating remotely with a small number of staff remaining in the office from the transfer agency, client services and facilities teams. The business continues to operate smoothly on a remote basis.

Another impact of the pandemic has been that independent valuation agents employed to value commercial properties held in The Local Authorities' Property Fund, The CBF Church of England Property Fund and the COIF Charities Property Fund have issued valuations with material uncertainty clauses. As a result, the three property funds have suspended the cancellation and issuing of units.

For most of our investors the income received from their investments and clarity on likely future income is critical for their ongoing operation. Many of CCLA's funds now operate on a total return basis allowing us to make distributions from both natural income and capital. We measure the free cash flow of the portfolio to ensure that any distribution paid to investors by our funds is sustainable. Our expectation is that we will retain our income distribution at a similar level to 2019 for our Investment Funds and Global Equity Funds. Property, Fixed Income and Deposit Funds will all see unavoidable income reductions.

CCLA remains a profitable business with revenue up by 16.4% against an increase in our cost base of 15.6%. We retain a high level of capital reserves which enables us to weather the current economic and market challenges. It also allows us to continue investing in the business, by adding new people and enhancing our operational and investment infrastructure. We are forecasting a modest decline in profitability in 2020/21 as a result of the falls in global asset markets and our ongoing programme of investment in the business.

Looking forward CCLA is extraordinarily well positioned. Not only do we have an enviable 10 year track record of investment outperformance, but also one of sustainable investing that can be demonstrated as having real impact over many years. As the world emerges from the coronavirus pandemic, sustainable or ESG (environmental, social and governance) investing will become increasingly important to investors and the companies they invest in; and, with that in mind, to conclude this review I would like to share with you CCLA's four core beliefs. They have been central to our success to date and will remain so into our future.

1. To deliver superior long-term risk adjusted returns we should only invest in sustainable assets and opportunities.
2. We have a responsibility to play an active role in driving positive change to address systemic risks.
3. We must manage our clients' assets in a way that is aligned to their values, report on the outcomes of our work and be transparent about everything we do.
4. None of the above can happen without good people.

That is what we call Good Investment.



Peter Hugh Smith
Chief Executive
8 July 2020

Engaging with our Stakeholders

The Board of Directors understand the importance of engaging with CCLA's various stakeholders and actively focuses on developing a strategy which can achieve long term success and generate sustainable returns for all stakeholder relations. CCLA engages with its stakeholders in many ways and this section outlines the key stakeholder groups, and the methods with which CCLA has fostered positive business relationships.

Clients

CCLA's purpose is to help its clients maximise their impact on society by harnessing the power of investment markets. The Company is focused on treating its customers fairly through understandable and accessible products that are right for them, irrespective of their size. CCLA engages with its clients through:

- Providing regular updates on Fund Performance through direct mail communications and visits by Client Relationship Managers and Directors.
- Sponsoring and speaking at Regional and National Sector Events.
- Hosting Regional Trustee Training Events enabling direct feedback on customer experience and best practice.
- Recognising the importance to clients on the safety of their data and money, and continually investing and utilising advanced technology to protect them, including systems that prevent fraud. CCLA staff receive periodic training and support on important issues such as anti-bribery and cybercrime to help safeguard client information.

Shareholders

Furthered by its unique shareholder structure, CCLA is required to provide fair, balanced and transparent information to instill trust and confidence in its shareholders and allow informed investment decisions to be made. CCLA engages with its shareholders through:

- Active engagement between members of the Board and the shareholders throughout the year, including the Chairman and Executive Directors to discuss strategic progress, financial and operational performance. Feedback from meetings is then passed directly to senior management within the business.
- In November 2019, the Chairman and Non-Executive Directors hosted a collaboration dinner with the major shareholder representatives covering key topics such as the opportunities and challenges across core markets.

Employees

CCLA considers its employees as the cornerstone of delivering the Company's vision and aims to provide a supportive and stable environment for staff to feel included, empowered and inspired to deliver a trusted service to its clients. CCLA engages with its staff through:

- Weekly briefings with all staff to keep employees engaged and informed on a variety of business matters.
- Providing opportunities for members of the Board to meet key functions in the business such as Client Relations, IT and Operations.
- Following the Executive team interactive seminars held in early 2019, several initiatives to strengthen CCLA's positive culture were implemented. By way of example, this has included mental health and wellbeing workshops and the launch of an employee benefits portal with the opportunity to buy and sell annual leave.
- Annual staff engagement survey with a 96% response rate and an overall average employee satisfaction score remaining at 5.7, based on a sliding scale out of 7.

Communities and environment

CCLA has representation across the Charity, Church of England and Local Authority Sectors and therefore considers its impact as an organisation on those particular communities and the environments within which they operate. CCLA engages with the wider communities and environment through:

- Incorporating the work and efforts of the Ethical & Responsible Investment team within the quarterly Board agenda as part of CCLA's commitment to be a trusted and responsible business.
- CCLA has provided financial or in-kind support to a number of organisations throughout the year. A full list of organisations can be found on page 77.
- Read more on our environmental impact on page 16.

Regulators and government

CCLA has a good relationship with its regulators and other government authorities and liaises regularly where required. CCLA engages with its regulators through:

- The timely submission of filings to Companies House, the Financial Conduct Authority, the Charities Commission and HMRC.
- A robust governance framework made up of four major components; Board oversight, Committee responsibilities, management accountability and authority and policies and procedures.
- Responding as relevant to the regulatory Consultation Papers through the appropriate industry bodies such as the Investment Association.

Suppliers

Given the size of CCLA, the Company is reliant on external suppliers for several key services. Dealing with suppliers in the right way is important for the future success of the Company. CCLA engages with its suppliers through:

- A conscious engagement of suppliers of varying sizes, mostly in professional services sector such as Data Suppliers, IT, Cyber, Operations, Management Consultancy, Legal, HR, Marketing and Communication.
- Conducting regular supplier due diligence before agreeing a transaction or a contract and throughout the lifecycle of any supplier relationship.
- All material contracts are subject to rigorous cost management governance and updates on key supplier risks are provided to the Board for their information.
- Continued enhancements to address the risk of Modern Slavery in CCLA's supply chain whilst also taking a firm lead on tackling Modern Slavery within Investment Management. Further details can be found on pages 15 to 16.

Other Disclosures

Long Term Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the prospects of the Company over a three-year period to March 2023. This takes into account the Company's current position, strategic aims, risk appetite and principal risks. Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over this three-year period.

Dividends

Distributions of £3,570,330 were declared on 7 October 2019 and paid on 31 October 2019 on 242,137 Ordinary Shares in this financial year (2019: £2,893,728 and £148,500 on 242,137 Ordinary and 4,950,000 'P' Ordinary Shares respectively).

Share capital

During the year there were no changes in the Company's issued share capital (2019: redemption of £4,950,000 'P' Ordinary Shares at par only).

Qualifying Third Party Indemnity Provision

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

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

FCA Remuneration Code Disclosures

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

Directors

Biographical details of the Directors are shown on pages 31 to 34. The Directors of the Company who served throughout the year and up to the date of signing were:

- * Richard Horlick – Chairman (and Chairman of the Remuneration and Nominations Committee)
- * Christine Johnson ^(a)
- * John Tattersall ^(a) (Chairman of the Audit Committee)
- * Glenn Newson ^(a)
- * Ann Roughead ^(a) ⁽¹⁾
- * Jonathan Jesty ^(a) ⁽¹⁾

Peter Hugh Smith ⁽¹⁾ – Chief Executive

Michael Quicke ⁽²⁾ – Chief Executive

James Bevan – Chief Investment Officer

Elizabeth Sheldon – Chief Operating Officer

Andrew Robinson – Director, Market Development

⁽¹⁾ Ann Roughead and Jonathan Jesty were appointed as Non-Executive Directors on 24 April 2020. Peter Hugh Smith was appointed as Chief Executive on 9 July 2019 and as an Executive Director on 28 August 2019 following approval from the FCA.

⁽²⁾ Michael Quicke an Executive Director resigned on 8 July 2019.

* Non-Executive Directors. All Non-Executive Directors are members of the Remuneration and Nominations Committee.

^(a) Member of the Audit Committee.

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

On 1 June 2019, 1,353 Ordinary Shares belonging to the CCLA Employee Share Trust were purchased by three Executive Directors under the Long Term Incentive Plan.

On 1 June 2019, 600 Ordinary Shares belonging to Colin Peters, a former Executive Director, were purchased by one Executive Director. Mr Peters retired from CCLA on 25 June 2015.

On 7 November 2019, 5,000 Ordinary Shares belonging to Michael Quicke, a former Executive Director, were purchased by the CCLA Employee Share Trust. Mr Quicke retired from CCLA on 8 July 2019.

On 19 November 2019, 948 Ordinary Shares were granted to Adrian McMillan, a former Executive Director, pursuant to the Company's Annual Equity Settled Bonus Deferral Scheme. Mr McMillan retired from CCLA on 19 November 2018.

Directors (continued)

On 9 January 2020, 1,500 Ordinary Shares were purchased by Peter Hugh Smith from the CCLA Employee Share Trust, under the provisions of the Long Term Incentive Plan.

In accordance with the Good Leaver provisions in CCLA's Articles of Association, Executive Directors are permitted to retain their CCLA Ordinary Shares for up to five years after their retirement.

The CCLA Employee Share Trust was set up on 30 May 2018.

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

	Holding as at 31 March 2020 Ordinary Shares £1 each	Holding as at 31 March 2019 Ordinary Shares £1 each
Peter Hugh Smith	1,500	–
James Bevan	5,503	5,253
Andrew Robinson	5,503	5,253
Elizabeth Sheldon	1,453	–
Adrian McMillan	948	–
Colin Peters	668	1,268
Michael Quicke	3,228	8,228
Total	18,803	20,002

The revised ownership structure of CCLA at 31 March 2020 was as follows:

Shareholder	Holding as at 31 March 2020 Ordinary Shares £1 each	Interest in Ordinary Shares %
The CBF Church of England Investment Fund	130,000	53.69
COIF Charities Investment Fund	54,167	22.37
The Local Authorities' Mutual Investment Trust (LAMIT)	32,500	13.42
Current and former Executive Directors	18,803	7.77
CCLA Employee Share Trust	6,667	2.75
Total	242,137	100.00

Employees

Details of the Company's employment policies can be found on pages 42 to 43 in the Corporate Governance Report.

Charitable Donations

During the year the Company made charitable donations of £4,836 (2019: £3,065) which were paid either as part of CCLA's policy to match the amount a staff member raises for a sponsored event up to £250 per staff member per year, or as voluntary Church Rates. This does not include other forms of support to organisations listed on page 77, as highlighted on page 12.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and 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)

Financial risks that the Group is exposed to are as follows:

- 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 Group 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 Group and the risk of default is deemed minimal.
- Liquidity risk – financial instruments held by the Group consist of short-term sterling cash deposits and deposit funds designed to ensure the Group has sufficient available funds for operations, which enable it to meet its objectives.
- Interest rate risk – the Group invests its surplus funds in fixed and floating rate deposits. Changes in the interest rates will result in income increasing or decreasing; however, the proportion of the Group'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.

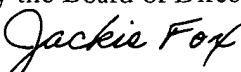
Independent Auditors

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

Pillar 3 disclosures

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

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

Jackie Fox 
Company Secretary

8 July 2020

Board Profiles

Non-Executive Directors

Richard Horlick – Chairman

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

Christine Johnson

Christine was the Senior Fund Manager and Head of Fixed Income at Old Mutual Global Investors until 2017. Previous fund manager appointments include HSBC and Investec. She was appointed to the Board of Invesco Enhanced Income Limited in January 2019. Christine was appointed as a Trustee Director to the CBF Funds Trustee Board in November 2017. She joined the Board of CCLA as a Non-Executive Director in June 2018.

Glenn Newson

Glenn Newson is a Chartered Surveyor, with over 35 years investment experience on behalf of Institutional, Private and Family Office clients. Prior to forming his own business he was Managing Director of UK Property of Aberdeen Asset Management from 2007-2008, and Head of UK Property for Credit Suisse Asset Management from 2003-2007. Glenn has a 1st Class BSc (Hons) degree in Valuation and Estate Management. Glenn joined the COIF Charity Funds as a Director in October 2008. He was appointed a Non-Executive Director of CCLA in October 2018.

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 the Government on reform of financial services regulation and later on the Government's Equitable Life Payments Commission. He has also served as Chair of the Gibraltar Financial Services Commission. He is currently Chairman of UK Asset Resolution (incorporating Bradford and Bingley plc and NRAM Limited). He was Chairman of UBS Limited until 1 March 2019 but continued thereafter as a Board member of UBS Business Solutions AG. In 2014 John was appointed Chair of The Oxford Diocesan Board of Finance and also Chair of Retail Charity Bonds plc. He was ordained as a non-stipendiary minister in the Church of England in 2007. He is a trustee of a number of charities including The Royal Foundation of St Katharine, where he is Chairman of the Court, and the Community of St Anselm. He was appointed as a Non-Executive Director of CCLA in 2011.

Ann Roughead (appointed 24 April 2020)

Ann is a Non-Executive Director and Chair of the Customer Focus committee at Columbia Threadneedle Investment, on the board of the Rock Trust, a youth Homeless Charity and an advisor to Saphira Group. She has over thirty years of experience in the investment and finance sector. Previous Board positions include BNY Mellon Investments, Lighthouse Group PLC, Funds Rock Partners and the Rugby Players Association. She has chaired, Audit, Risk and Remco committees. In her executive career she was CEO of LV= Asset Management and CEO of Ellis Clowes & Company, a London-based Lloyds Insurance Broker. At Citi she was, Chief Operating Officer of the Private Bank (Europe), Head of Smith Barney (Europe), Head of Investment for Citi's Retail Bank and Head of UK Wealth Management and Banking. She was Head of European Product Development and Strategy for JP Morgan Asset Management. She is qualified as a solicitor and is a member of the Ethics Committee of the Chartered Institute of Securities and Investments (CISI). Ann joined the Board of CCLA in April 2020 as an Independent Non-Executive Director.

Non-Executive Directors (continued)

Jonathan Jesty (appointed 24 April 2020)

Jonathan has over 35 years' corporate, professional services and regulatory experience in the financial services industry. Jonathan has worked in asset management throughout his career, most recently at Schroders as Global Head of Compliance until he retired from his executive career in 2018. He was for many years an audit and advisory partner at KPMG. Jonathan graduated with an MA from Cambridge University, qualified as a chartered accountant with KPMG and holds an MBA from London Business School. He is a Non-Executive Director of McInroy and Wood Portfolios Limited. Jonathan joined the Board of CCLA in April 2020 as an Independent Non-Executive Director and succeeds John Tattersall as Chairman of the Audit Committee.

Executive Directors

Peter Hugh Smith – Chief Executive (appointed 9 July 2019)

Peter was appointed Chief Executive of CCLA in July 2019 and is responsible to the CCLA Board for the overall performance of the business and quality of our service for clients. He has more than 25 years' experience in the investment management industry most recently as Managing Director of the fund services business Link Fund Solutions. His experience has ranged from wholesale relationship management at Russell Investments to establishing an asset management business for Hong Kong conglomerate Seapower. He is also Chair of Governors at a Bishopswood School, a Local Authority maintained Special Education Needs school in Oxfordshire. He was appointed as an Executive Director of CCLA in August 2019 following approval from the FCA.

James Bevan – Chief Investment Officer

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

Executive Directors (continued)

Elizabeth Sheldon – Chief Operating Officer

Elizabeth is responsible for all financial and operational matters at CCLA on behalf of clients. She was appointed Chief Operating Officer of CCLA in November 2018. Prior to this Elizabeth was Head of Change at CCLA responsible for leading the change programme, including implementing an effective governance structure. After qualifying as a Chartered Accountant with an audit practice specialising in the 'not for profit' sector, Elizabeth joined the financial services audit team at Ernst and Young. From there she moved on to Man Group working in a number of areas including operations and a large outsourcing project. Elizabeth is a Fellow of the Institute of Chartered Accountants and has a BSc in Geography from University College London. Elizabeth is also a trustee of The Donkey Sanctuary. She was appointed an Executive Director of CCLA in December 2018.

Andrew Robinson MBE – Director Market Development

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

Corporate Governance Report

The Company is not required to comply with the UK Corporate Governance Code ('the Code') published by the Financial Reporting Council, but, in view of its support for good corporate governance, has decided to include those aspects of the 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 2020.

Leadership

Our Board of Directors

At 31 March 2020, the Board comprised four Executive and four Non-Executive Directors including the Chairman. 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.

Independence of Directors

Following an independent review of the CCLA Board in early 2019, it was recommended that the remit of the Remuneration Committee widen to a Remuneration and Nominations Committee. To comply with the recommended number of Independent Non-Executive Directors, CCLA appointed Nurol Ltd to carry out an executive search for a third Independent Non-Executive Director who would become the Senior Independent Non-Executive Director and Chairman of the Remuneration and Nominations Committee. Board Membership is also determined by the constitutional framework of the Company and under the Company's Articles of Association, each holder of 10 per cent or more of the Ordinary Shares or Non-Voting Shares (other than an employee Shareholder) is entitled to appoint one person to be a Non-Executive Director of the Company.

Performance Evaluation

In 2019, following a formal tender process, an external consultant, Independent Audit, was selected to undertake an independent Board evaluation of the Chairman, Board, Audit and Remuneration Committees. The Board considered their report on 29 April 2019 and as a result, decided to make various changes, including the appointment of a further Independent Non-Executive Director.

The Board is considered to have the appropriate balance of skills, experience, independency and knowledge of the Company to discharge their fiduciary duties and responsibilities effectively.

Frequency of Meetings

The Board met formally four times in the year ended 31 March 2020. In addition, the Executive Directors regularly meet to review matters relating to the day to day management of the Company.

Election and Succession of Directors

On the 13 October 2019, the remit of the Remuneration Committee was broadened to encompass a Nominations Committee. The Remuneration and Nominations Committee thereby allocates significant time to discuss succession planning and appointments for both the Board of Directors and Management, focusing on the strategic and commercial issues, priorities and main trends and factors affecting the long-term success and future viability of the Company. On the 8 July 2019, Michael Quicke retired as Chief Executive and was succeeded by Peter Hugh Smith. Under the Company's Articles of Association, the Directors are not subject to retirement by rotation.

CCLA has a clear policy on the recruitment and remuneration of new Executive Directors taking into consideration a number of elements:

- **Service Contract:** All Executive Directors have contracts of employment which may be terminated by CCLA or the individual by giving notice between six and twelve months (dependent on role).
- **Base Salary:** Salaries are set by the Remuneration and Nominations Committee, taking into consideration a number of influential factors such as experience and skills against industry benchmarks.
- **Discretionary Bonus:** Bonuses are set by the Remuneration and Nominations Committee, based on an assessment of the individual's contribution, the Company's performance and industry benchmarks. A proportion of all bonuses over an agreed level are deferred for three years.
- **Performance Share Plan:** To encourage greater Management/Shareholder alignment and to retain talent within the business, a discretionary long-term incentive scheme is offered to Executive Directors.

Board Diversity Policy

The CCLA Board continues to recognise the importance of diversity in its membership and appointments are 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. As at the year end, a quarter of CCLA's Directors were women.

Board and Committee Attendance

	CCLA Board Meetings held: 4 Attendance:	Audit Committee Meetings held: 2 Attendance:	Remuneration and Nominations Committee Meetings held: 2 Attendance:
Richard Horlick	3	2	2
Jonathan Jesty (appointed 24 April 2020)	0	0	0
Christine Johnson	4	2	2
Glenn Newson	4	2	2
Ann Roughead (appointed 24 April 2020)	0	0	0
John Tattersall	4	2	2
Michael Quicke (retired 8 July 2019)*	2		
Peter Hugh Smith (appointed 9 July 2019)* ⁽¹⁾	2		
James Bevan*	4		
Andrew Robinson*	4		
Elizabeth Sheldon*	4		

*The Executive Directors are not members of the Audit Committee or the Remuneration and Nominations Committee therefore their attendance has been left blank.

⁽¹⁾Peter Hugh Smith – approved by the FCA on 28 August 2019.

Share ownership

The Ordinary Shares are owned by The CBF Church of England Investment Fund, the COIF Charities Investment Fund, LAMIT, the CCLA Employee Share Trust and the Executive Directors as detailed on page 70.

The Non-Voting Ordinary Shares are owned by 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. From 2020, the frequency of meetings has been increased to at least three times a year.

Core Activities

The duties of the Audit Committee are to:

- review the annual financial statements of the Company;
- perform oversight of principal risks;
- review the whistleblowing procedures of the Company;

Core Activities (continued)

- 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 Chief Risk Officer;
- monitor CCLA's engagement with the outsourced Internal Audit function, meet with and receive a summary of major issues from the Internal Auditors and review and approve the Internal Audit plan; and
- report the Audit Committee's proceedings and any recommendations it may make to the Board of Directors.

External Auditors

PwC continued as our External Auditors, with Tom Norrie as the engagement leader for the 2019/2020 financial year. The Committee considers the effectiveness of the External Auditor on an ongoing basis, reviewing its independence, objectivity and professionalism through its own observations and interactions with the External Auditor.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee's membership comprises the Non-Executive Directors and it is chaired by Richard Horlick. The Committee develops CCLA's Remuneration Policy and Remuneration Philosophy for approval by the Board and ensures there is a rigorous and transparent procedure for Board appointments.

The duties of the Remuneration and Nominations Committee are to:

- Actively engage with the Company's Remuneration Policy and philosophy and amend its Terms of Reference when necessary.
- Set a strategy that ensures the best talent is recruited, retained and motivated to deliver results. Where necessary, it utilises external consultants and independent surveys for market benchmarking.
- Determine the terms of employment and remuneration for the Senior Executive Management team, including recruitment, pension and termination arrangements.
- Approve performance related pay schemes and employee incentive structures operated by the Company, in line with the Company policy and philosophy.
- Identify and nominate for the Board's approval appropriate candidates to fill Board vacancies, bearing in mind the Company's Diversity Policy.
- Consider proposals made by any Director or Shareholder for the appointment, removal and promotion of a Director.

Remuneration and Nominations Committee (continued)

- Actively evaluate the balance of skills, experience, independence, knowledge and diversity of the Board against the future challenges affecting the Company.
- Keep under review the number of external appointments held by each Director.

Executive Committee

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

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

Internal control

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

- Non-Executive Directors, Executive Directors and Departmental Managers;
- management and financial controls;
- operational controls, including authorisation limits and segregation of duties;
- documented procedures and operations manuals;
- an operational risk management framework embedded throughout the business;
- a staff training and competence regime;
- compliance and internal audit monitoring and reporting;
- a whistleblowing policy and procedure which meets industry standards;
- an investment risk function independent of the front office;
- information system security;

Internal control (continued)

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

The Committee currently reviews the key (high and borderline) operational risks facing the Company and receives regular risk management reports setting out the key risks arising out of key operational change or projects and receives regular risk management reports setting out the status of these projects and their risk status. 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 have an operational risk management process which is embedded within the business. Departmental Managers are responsible for the identification and management of risks, largely operational, reputational and regulatory, arising in their respective areas of responsibility. Any issues giving rise to concern are discussed and resolved with the relevant Business Manager.

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

As part of its evolution and striving for continuous improvement, CCLA is in the process of developing a risk framework which will include the development of formal Risk Control Self-Assessments ('RCSA's') for each department and the eventual culmination of a consolidated risk register for the Group.

Disaster recovery and business continuity

CCLA has a well-established disaster recovery and business continuity committee formed by the Executive Directors to ensure that appropriate arrangements are in place for business continuity. This includes a documented business recovery plan which is subject to an agreed cycle of testing. The disaster recovery and business continuity committee consists of a number of senior employees from departments across CCLA and meets regularly to review and update procedures and review the outcomes of the testing. The effectivity of this framework has been extensively tested in response to the Covid-19 pandemic. The systems have been proved to operate effectively when used remotely and Teams has become embedded as the core communication tool to enable team collaboration from dispersed locations.

Directors' Remuneration Report

This report describes the Company's overall remuneration policy and the compensation arrangements for Directors for the year ended 31 March 2020.

Remuneration philosophy, policy and compensation arrangements

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

The Board and the Remuneration and Nominations Committee set the context and high level limits for the annual remuneration review and specifically approves the remuneration level for the Executive Directors and Chief Risk Officer. Remuneration for the rest of the staff will be set by the Executive Directors with oversight by the Remuneration and Nominations Committee. No individual has the ability to set their own remuneration.

Directors' remuneration and fees (audited)

Fees for the Non-Executive Directors are determined annually by the Board having regard to both the level of fees payable to Non-Executive Directors generally in the industry and to their responsibilities. For the year ended 31 March 2020 the Non-Executive Directors' fees were set at £75,000 p.a. for the Chairman (2019: £55,000 p.a.), £42,500 p.a. for the Chairman of the Audit Committee (2019: £34,000 p.a.) and £32,500 p.a. for the other Non-Executive Directors (2019: £30,000 p.a.).

Directors' remuneration and fees (audited) (continued)

Four Executive Directors participated in the Group Personal Pension Scheme provided by Legal and General. Details of this Scheme are set out in notes 1(f) and 5 of the notes to the financial statements. One Executive Director participated in other schemes (2019: 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.

During the year five (2019: four) Directors participated in the Long Term Incentive Plan. Note 18 contains details of the plan.

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

	2020 £'000	2019 £'000
Emoluments paid to Executive Directors	2,545	2,654
Emoluments paid to Non-Executive Directors	183	171
Company pension scheme contributions in respect of Directors	73	60
Payments under long-term incentive schemes	1,328	–

The long-term incentive scheme under which payments were made was the CCLA cash-settled Deferred Bonus Plan.

The highest paid Director received remuneration, excluding pension contribution, of £704,527 (2019: £857,668). Pension contributions were £30,400 (2019: £nil) and at the year-end £3,333 (2019: £nil) was payable to a pension scheme in respect of the highest paid Director. The highest-paid Director also received payments under a long-term incentive scheme of £461,894 (2019: £nil).

Employee Policies**Diversity and Inclusion**

CCLA is an equal opportunities employer and it is our policy to ensure that all job applicants and employees are treated fairly and on merit regardless of race, sex, marital/civil partnership status, age, disability, religious belief, pregnancy, maternity, gender reassignment or sexual orientation. 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. CCLA is keen to develop a pipeline of high-calibre talent to ensure appropriate skills and succession planning for the future. 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.

Employee Relations

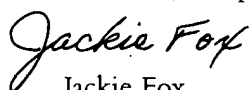
Engagement with our employees is crucial to the continuing success of CCLA. We communicate regularly and openly with them on matters affecting them and on the issues that have an impact on the performance of the business and actively seek their feedback on these matters.

Communication

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 regards the management of health and safety as an integral part of its business and as a management priority. It is our policy that all activities and work will be carried out in a safe manner and we will ensure the health, safety and welfare of our employees and others who may be affected by our activities. Proper management of health and safety issues is seen as an integral part of the efficient management of the organisation's activities, and critical to developing the professional culture of the organization and establishing and maintaining a solid reputation with all of our clients. CCLA will provide appropriate training and make available competent health and safety advice and adequate resources including time and money so that legal obligations may be met. CCLA reviews its processes, policies, procedures and specific training on an ongoing basis and in accordance with legislation, industry standards, best practice and the operational needs of the organisation.



Jackie Fox
Company Secretary
8 July 2020

Independent Auditors' Report

to the members of CCLA Investment Management Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2020 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Audited Financial Statements (the 'Annual Report'), which comprise: the Consolidated Statement of Financial Position and Company Statement of Financial Position as at 31 March 2020; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Conclusions relating to going concern (continued)

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 29 the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 July 2020

- 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 2020

	<i>Note</i>	2020 £'000	2019 £'000
Turnover	3	45,462	39,058
Administrative expenses	4	(33,736)	(29,194)
Operating profit before exceptional items		11,726	9,864
Exceptional items:			
Project costs	6	—	(1,368)
Operating profit		11,726	8,496
Interest receivable and similar income		202	176
Profit before taxation		11,928	8,672
Tax on profit	7	(2,436)	(1,699)
Profit for the financial year		9,492	6,973

The notes on pages 54 to 74 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	8	2,371	1,196
Tangible assets	8	393	506
		2,764	1,702
Current assets			
Debtors	9	7,337	7,069
Cash at bank and in hand	11	13,365	13,710
Cash equivalents	12	20,122	15,979
		40,824	36,758
Creditors	13	10,971	10,846
Net current assets		29,853	25,912
Total assets less current liabilities		32,617	27,614
Net assets		32,617	27,614
Capital and reserves			
Called up share capital	14	242	242
Share premium account		1,594	1,594
Other reserves		2,364	1,724
EST share reserve		(2,113)	(1,499)
Treasury shares		(1,100)	—
Profit and loss account		31,630	25,553
Total equity		32,617	27,614

The notes on pages 54 to 74 form part of these financial statements.

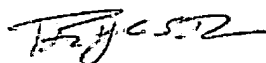
These financial statements on pages 48 to 74 were approved and authorised for issue by the Board or Directors on 8 July 2020 and signed on its behalf by:

Richard Horlick
Chairman

Registered number: 02183088



Peter Hugh Smith
Chief Executive



Company Statement of Financial Position

as at 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Subsidiary undertaking	19	2,700	2,700
Intangible assets	8	2,371	1,196
Tangible assets	8	393	506
		5,464	4,402
Current assets			
Debtors	9	4,976	5,553
Cash at bank and in hand	11	7,044	6,233
Cash equivalents	12	9,914	9,836
		21,934	21,622
Creditors: amounts falling due within one year	13	8,814	9,453
Net current assets		13,120	12,169
Total assets less current liabilities		18,584	16,571
Net assets		18,584	16,571
Capital and reserves			
Called up share capital	14	242	242
Share premium account		1,594	1,594
Other reserves		2,364	1,724
EST share reserve		(2,113)	(1,499)
Treasury shares		(1,100)	-
Profit and loss account		17,597	14,510
Total equity		18,584	16,571

The Company has elected to take the exemption under s408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The profit for the Company for the year was £6,502,000 (2019: £3,975,000).

The notes on pages 54 to 74 form part of these financial statements.

These financial statements on pages 48 to 74 were approved and authorised for issue by the Board of Directors on 8 July 2020 and signed on its behalf by:

Richard Horlock

Chairman

Registered number: 02183088

Peter Hugh Smith

Chief Executive

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

	Ordinary Share capital £'000	Share premium account £'000	'P' Ordinary Shares £'000	Profit and loss account £'000	EST share reserve £'000	Treasury shares £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2018	242	1,594	4,950	21,491	–	–	897	29,174
Profit for the financial year	–	–	–	6,973	–	–	–	6,973
Redemption of shares	–	–	(4,950)	–	–	–	–	(4,950)
Equity dividends paid	–	–	–	(3,042)	–	–	–	(3,042)
Purchase of shares by Employee Share Trust	–	–	–	–	(1,499)	–	–	(1,499)
Amortisation of equity-settled awards	–	–	–	–	–	–	827	827
Tax movement relating to equity-settled awards (note 7)	–	–	–	131	–	–	–	131
Transactions with shareholders, recognised directly in equity	–	–	(4,950)	(2,911)	(1,499)	–	827	(8,533)
Balance as at 31 March 2019	242	1,594	–	25,553	(1,499)	–	1,724	27,614
Profit for the financial year	–	–	–	9,492	–	–	–	9,492
Equity dividends paid	–	–	–	(3,541)	–	–	–	(3,541)
Purchase of shares by Employee Share Trust	–	–	–	–	(614)	–	–	(614)
Treasury shares acquired (note 1(g)(ii))	–	–	–	–	–	(1,100)	–	(1,100)
Amortisation of equity-settled awards	–	–	–	–	–	–	640	640
Gains and losses from transfers of share by Employee Share Trust	–	–	–	(85)	–	–	–	(85)
Tax movement relating to equity-settled awards (note 7)	–	–	–	211	–	–	–	211
Transactions with shareholders, recognised directly in equity	–	–	–	(3,415)	(614)	(1,100)	640	(4,489)
Balance as at 31 March 2020	242	1,594	–	31,630	(2,113)	(1,100)	2,364	32,617

The notes on pages 54 to 74 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 March 2020

	Ordinary Share capital £'000	Share premium account £'000	'P' Ordinary Shares £'000	Profit and loss account £'000	EST share reserve £'000	Treasury shares £'000	Other reserves £'000	Total £'000
Balance as at 1 April 2018	242	1,594	4,950	13,446	–	–	897	21,129
Profit for the financial year	–	–	–	3,975	–	–	–	3,975
Redemption of shares	–	–	(4,950)	–	–	–	–	(4,950)
Equity dividends paid	–	–	–	(3,042)	–	–	–	(3,042)
Purchase of shares by Employee Share Trust	–	–	–	–	(1,499)	–	–	(1,499)
Amortisation of equity-settled awards	–	–	–	–	–	–	827	827
Tax movement relating to equity-settled awards (note 7)	–	–	–	131	–	–	–	131
Transactions with shareholders, recognised directly in equity	–	–	(4,950)	(2,911)	(1,499)	–	827	(8,533)
Balance as at 31 March 2019	242	1,594	–	14,510	(1,499)	–	1,724	16,571
Profit for the financial year	–	–	–	6,502	–	–	–	6,502
Equity dividends paid	–	–	–	(3,541)	–	–	–	(3,541)
Purchase of shares by Employee Share Trust	–	–	–	–	(614)	–	–	(614)
Treasury shares acquired (note 1(g)(ii))	–	–	–	–	–	(1,100)	–	(1,100)
Amortisation of equity-settled awards	–	–	–	–	–	–	640	640
Gains and losses from transfers of share by Employee Share Trust	–	–	–	(85)	–	–	–	(85)
Tax movement relating to equity-settled awards (note 7)	–	–	–	211	–	–	–	211
Transactions with shareholders, recognised directly in equity	–	–	–	(3,415)	(614)	(1,100)	640	(4,489)
Balance as at 31 March 2020	242	1,594	–	17,597	(2,113)	(1,100)	2,364	18,584

The notes on pages 54 to 74 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Net cash from operating activities	16	12,372	10,551
Corporation tax paid		(2,004)	(2,076)
Net cash generated from operating activities		10,368	8,475
Cash flows from investing activities			
Purchases of intangible assets	8	(1,343)	(2,488)
Intangible assets written off	8	–	1,672
Purchases of tangible assets	8	(89)	(89)
Interest received		202	176
Net cash used in investing activities		(1,230)	(729)
Cash flows from financing activities			
Net acquisitions of Ordinary Shares by Employee Share Trust	14	(614)	(1,499)
Acquisition of Treasury shares		(1,100)	–
Net losses on transfers of CCLA shares by Employee Share Trust		(85)	–
Redemption of 'P' Ordinary Shares	14	–	(4,950)
Dividends paid	15	(3,541)	(3,042)
Net cash used in financing activities		(5,340)	(9,491)
Net increase/(decrease) in cash at bank and in hand		3,798	(1,745)
Cash and cash equivalents at the beginning of the year		29,689	31,434
Cash and cash equivalents at the end of the year		33,487	29,689
Cash and cash equivalents consist of:			
Cash at bank and in hand	11	13,365	13,710
Cash equivalents	12	20,122	15,979
Cash and cash equivalents		33,487	29,689

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 54 to 74 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies

(a) Basis of accounting

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

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

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

(b) Turnover

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

(c) Administrative expenses

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

(d) Interest income

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

(e) Fixed assets

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

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies (continued)

(e) Fixed assets (continued)

(i) Intangible Assets – Software

The expected useful life of software is to the end of the contract with the software supplier, subject to the following:

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

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

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

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

(ii) Tangible assets: Leasehold Improvements

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

(iii) Tangible assets: General Equipment

The expected useful life of general equipment is three to five years.

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

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies (*continued*)

(f) Pension schemes

During the year most staff were either members of the Church of England Pension Builder 2014 Scheme ('CEPB') or the Group Personal Pension Scheme ('GPP'), which is operated by Legal and General. The CEPB is a hybrid scheme for which bonuses are declared each year based on investment performance. The GPP is a defined contribution scheme. The Company also has obligations in respect of its sub-pool of the Church of England Defined Benefit Scheme ('DBS'), and potential obligations in respect of its sub-pool of the Church of England Pension Builder Classic Scheme ('PBC'), a hybrid scheme, both of which have been closed to future accrual by the Company.

(i) Open pension plans

The GPP covers employees over the age of 18 who earn more than £30,000 per annum. Pension contributions payable by the Company are charged to profit and loss within the statement of comprehensive income as they fall due. The CEPB covers employees over the age of 18 who earn less than approximately £30,000 per annum. The CEPB is a multi-employer hybrid pension scheme and the Company has insufficient information about its assets and liabilities within the CEPB to carry out defined benefit pension accounting. Accordingly, the Company accounts for the scheme as a defined contribution plan and pension contributions payable by the Company are charged to profit and loss within the statement of comprehensive income as they fall due.

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

(ii) Closed pension plans

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

The PBC is a hybrid scheme which builds up annuity obligations to members based upon bonuses declared each year based upon investment performance. It is also a multi-employer scheme for which defined contribution accounting is followed because of limits to information, although no contributions have been sought from the Company since it was closed to future accrual.

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies (continued)

(f) Pension schemes (continued)

(ii) Closed pension plans (continued)

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 the DBS, the CEPB, and the PBC and is independent of the Company and the Company's finances.

(g) Share based payments

(i) Cash-settled awards – deferred bonuses

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

As at each reporting date, the fair value of the liability which has been accrued to date is included in creditors, and the resulting expense in each period is recognised in the income statement within administrative expenses. When the award value is determined by reference to CCLA shares, the fair value is independently reviewed annually by an independent valuer, taking account of factors including sales, funds under management, and a price/earnings multiple. On vesting, liabilities are paid out as cash to settle the awards.

(ii) Cash-settled awards – LTIP

The Company operates a Long Term Incentive Plan ('LTIP') under which Executive Directors may purchase a specified number of shares at an independent valuation with the support of loans from the Company, as described on page 27 and in note 18. Under the terms of the LTIP, loans made prior to June 2019 to support shares allocated are accounted for as loans. For shares acquired by Directors under the LTIP from June 2019 onwards, changes have been made to the terms of the plan so that Directors have more protection against downward share price movements. As a result, shares acquired in the LTIP from that date onwards have been assessed to be cash-settled share-based payments. The accounting followed is outlined below.

- The cost of shares, funded initially by the Company, is shown as Treasury shares rather than accounted for as a loan.
- The service period is deemed at the outset to be five years or until the Director reaches the age of 60 if earlier, but liabilities in respect of the awards continue to be revalued until vesting, when the loans funding the share purchases are fully repaid or written off.

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies (*continued*)

(g) *Share based payments (continued)*

(ii) Cash-settled awards – LTIP (*continued*)

- As at each reporting date, the fair value of the liability which has been accrued to date is included in creditors and the resulting expense in each period is recognised in the income statement within administrative expenses.
- The fair value is independently reviewed by an independent valuer as described in 1(g)(i) above. For these awards, the fair value also includes dividends paid to the Directors. For this reason, some of the Company's dividends are recognised in the income statement within administrative expenses.
- On vesting, liabilities are offset against Treasury shares, with differences in value settled in the statement of changes in equity to profit and loss reserves.

(iii) Equity-settled awards

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

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

(h) *Taxation*

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

Amounts recognised directly in equity in the current and prior year are current and deferred tax credits on revaluations of equity-settled awards, which are themselves not accounted for as the charge in the income statement is based upon fair values at grant date.

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies (*continued*)

(i) Current tax

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

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

(ii) Deferred tax

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

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

(i) Operating leases

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

(j) Basis of consolidation

The Group consolidated financial statements for the year ended 31 March 2020 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.

Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting policies (*continued*)

(l) *Investment in subsidiary*

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

(m) *Exceptional items*

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

(n) *EST share reserve*

Shares of the Company held within the CCLA Employee Share Trust are accounted for at cost in the EST share reserve, a negative offsetting reserve within the Group's and Company's equity.

(o) *Treasury shares*

Shares of the Company held by Directors as part of the Long Term Incentive Plan from June 2019, as described in note 1(g)(ii) above, are accounted for at cost as Treasury shares, a negative offsetting reserve within the Group's and Company's equity.

2. Critical accounting judgements and estimation uncertainty

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

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

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

(b) Critical accounting estimates and assumptions

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

Notes to the Financial Statements

for the year ended 31 March 2020

2. Critical accounting judgements and estimation uncertainty (*continued*)

(b) Critical accounting estimates and assumptions (*continued*)

(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.

	2020 £'000	2019 £'000
Fees from pooled funds	42,771	36,798
Other fees	2,691	2,260
	45,462	39,058

4. Administrative expenses

	Note	2020 £'000	2019 £'000
Administrative expenses included:			
Staff costs	5	20,991	19,237
Other administrative costs		11,761	9,178
Depreciation of tangible assets		202	193
Amortisation of intangible assets		168	1
Operating lease costs for premises		448	455
Foreign exchange losses		28	9
Auditors remuneration:			
Fees payable to the Company's auditors for the audit of the Company and the Group's consolidated financial statements		41	36
Fees payable to the Company's auditors for other services:			
– Audit of the Company's subsidiary		11	10
– Audit-related assurance services of the Company and the Company's subsidiary		53	49
– Tax compliance services of the Company and the Company's subsidiary		33	26
		33,736	29,194

Notes to the Financial Statements

for the year ended 31 March 2020

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:

	2020	2019
Administration and Finance	66	64
Investment Management and Research	33	31
Business Development and Client Service	30	30
Company Secretarial and Assurance	8	7
	137	132

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

The costs incurred in respect of these employees were:

	2020 £'000	2019 £'000
Wages and salaries	15,717	13,776
Share-based payments	988	1,507
Social security costs	2,130	2,021
Other pension costs	1,264	1,118
	20,099	18,422
Other staff costs	892	815
	20,991	19,237

Details of Directors' remuneration can be seen on pages 41 to 42 within the Directors' Remuneration Report. The Executive Directors and Chief Risk Officer are considered to be the Group's Key Management Personnel.

Pension costs

Open Pension Schemes

During the year, the Company operated two pension schemes, the Church of England Pension Builder 2014 Scheme ('CEPB') and the Group Personal Pension Scheme ('GPP') operated by Legal and General.

Notes to the Financial Statements

for the year ended 31 March 2020

5. Employees and Directors (*continued*)

Pension costs (*continued*)

Open Pension Schemes (continued)

The cost of contributions payable by the Company to the CEPB administered by the Church Workers Pension Fund amounted to £145,000 (2019: £129,000). Contributions amounting to £15,000 (2019: £13,000) were outstanding at the year end. Life assurance costs for this Scheme amounted to £9,000 (2019: £9,000).

The cost of contributions payable by the Company to the GPP amounted to £1,103,000 (2019: £969,000). Contributions amounting to £126,000 (2019: £128,000) were outstanding at the year end.

Life assurance costs for members outside the Church Workers Pension fund amounted to £29,000 (2019: £31,000).

Defined Benefit Pension Scheme

Until 1 October 2012, some staff participated in the Church of England Defined Benefits Scheme ('DBS'), part of the Church Workers Pension Scheme. The Group now only accounts for annual administration expenses charged from the DBS unless an exceptional expense arises following an actuary's valuation (see below and note 1(f)). Expenses charged amounted to £12,000 in the year to 31 March 2020 (2019: £12,000).

During the year to 31 March 2018, the results of the triennial actuarial valuation for the Company's section of the DBS as at 31 December 2016 was made available to the Company, showing an exceptional expense of £1,399,000. As a result the Company and the DBS agreed to a deficit funding plan, whereby one half of the deficit was paid in April 2018 and the remainder is being paid monthly over ten years. During the year, the company made repayments amounting to £92,000 (2019: £791,000) which included an interest charge of £35,000 (2019: £38,000) in relation to this plan. As at 31 March 2020, there was an outstanding balance of £589,000 (2019: £646,000) which represents the present value of future contributions.

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

Notes to the Financial Statements

for the year ended 31 March 2020

5. Employees and Directors (*continued*)

Pension costs (*continued*)

Defined Benefit Pension Scheme (*continued*)

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

Market value of the DBS in total	£378.7m
Market value of the CCLA sub-pool	£10.8m
Market value of the Life Risk Pool	£195.0m

The Life Risk Pool cannot be apportioned to each employer's sub-pool.

As at 31 March 2020, the Company's section of the DBS had 47 deferred members, 20 pensioner members, 4 beneficiary members and no active members. As at 31 March 2019, there were 50 deferred members, 19 pensioner members, 3 beneficiary members and no active members.

Other Pension costs

The Company incurred other pension costs of £5,000 (2019: £7,000) 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. The deferred bonus awards granted on 31 March 2016 were settled in April 2019. As at 31 March 2017, 31 March 2018, 31 March 2019 and 31 March 2020, 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 £120,000 (2019: £774,000), including employer's National Insurance. The liability in respect of these awards is included in accruals. As at 31 March 2020, the liability totalled £263,000 (31 March 2019: £1,834,000), including employer's National Insurance.

As at 31 March 2017, the Company granted to the Executive Directors further deferred bonus awards linked to the total return of CCLA shares over vesting periods. As at 31 March 2018, 31 March 2019 and 31 March 2020, such awards were granted not only to the Executive Directors but also to certain other staff. These awards are due to be settled in the equity of the Company. The charge for these awards in the year was £939,000 (2019: £1,040,000), including employer's National Insurance. 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 2020, Other Reserves totalled £2,364,000 (31 March 2019: £1,724,000), with a provision of £483,000 (31 March 2019: £371,000) for employer's National Insurance on these awards included as a liability within accruals. In November 2019, deferred bonus awards granted to a retired Executive Director on 31 March 2017 and 2018 vested and shares were issued in accordance with the deferred bonus scheme.

Notes to the Financial Statements

for the year ended 31 March 2020

5. Employees and Directors (continued)

Share Based Payments (continued)

The equity-settled awards have been granted in the form of nil-cost options. During the year to 31 March 2020, options were awarded at the year-end over the equivalent of 4,161.60 (2019: 3,957.76) shares in the Company and a further 523.16 options were awarded in the year as equivalent awards following the declaration of a dividend (2019: 285.80). As at 31 March 2020, the total number of options outstanding were 16,012.76 (31 March 2019: 12,380.31). There were 948.87 option exercises during the year (2019: none). Fractions of shares are settled in cash.

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

During the year, the Company allotted shares to Executive Directors under the terms of the LTIP. As described in note 1(g)(ii), as a result of changes to the terms of the LTIP, these allocations of shares under the LTIP are accounted for as cash-settled share-based payments, whereas allocations under the LTIP in previous years were not. A total of 3,453 shares were allotted during the year under the LTIP, at a cost of £1,100,000, shown as Treasury shares. The charge during the year for these awards was £100,000 (2019: £nil), comprising charges over service periods of £71,000 (2019: £nil) and charges for dividends of £29,000 (2019: £nil). None of these awards vested in the year.

Annual bonus plan

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

The total charges for cash and deferred bonuses were:

	2020 £'000	2019 £'000
Cash bonuses	5,632	4,848
Deferred bonuses	887	1,507
Total Charge	6,519	6,355

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.

Notes to the Financial Statements

for the year ended 31 March 2020

6. Exceptional items

There are no exceptional charges for the current year (2019: £1,368,000 for non-recurring project costs relating to upgrading and replacing CCLA's operational processes and infrastructure).

7. Tax on profit

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

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax on the profit for the year	2,295	1,915
Total current tax	2,295	1,915
 Deferred tax	 135	 (218)
Total deferred tax	135	(218)
 Adjustments in respect of prior periods	 6	 2
Tax on profit on ordinary activities	2,436	1,699
 Current tax movements in statement of changes in equity (see note 1(h))	 (193)	 –

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK and the difference is made up as follows:

	2020 £'000	2019 £'000
Profit before taxation	11,928	8,672
UK corporation taxation on profits at 19% (2019: 19%)	2,266	1,648
 Effects of:		
Expenses not deductible for tax purposes	81	80
Pension deficit timing differences	(11)	(142)
Depreciation below capital allowances	(26)	(38)
Provisions tax adjustment	(15)	367
Movements in deferred tax	135	(218)
Adjustments in respect of prior periods	6	2
Tax on profit	2,436	1,699

Notes to the Financial Statements

for the year ended 31 March 2020

7. Tax on profit (continued)

(b) Deferred tax asset

	2020 £'000	2019 £'000
At beginning of year	1,250	901
Amounts (debited)/credited to profit and loss	(135)	218
Amounts credited to statement of changes in equity (see note 1(h))	18	131
At end of year	1,133	1,250
Deferred tax consists of the following timing differences:		
Decelerated capital allowances	143	154
Timing differences relating to deferred bonus awards	780	936
Other timing differences	210	253
Effects of change in tax rate	–	(93)
	1,133	1,250

Tax movements shown in the statement of changes in equity relating to the revaluation of equity-settled share-based payments (see note 1(h)), comprise the following:

	2020 £'000	2019 £'000
Credits to current tax	193	–
Credits to deferred tax	18	131
	211	131

Notes to the Financial Statements

for the year ended 31 March 2020

8. Intangible and Tangible Fixed Assets

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

Group and Company

	Intangible IT Software £'000	Tangible Leasehold Improvements £'000	General Equipment £'000	Total Tangible £'000	Total £'000
Cost					
At 1 April 2019	5,217	823	1,880	2,703	7,920
Additions	1,343	4	85	89	1,432
At 31 March 2020	6,560	827	1,965	2,792	9,352
Accumulated amortisation/depreciation					
At 1 April 2019	4,021	558	1,639	2,197	6,218
Charge for year	168	92	110	202	370
At 31 March 2020	4,189	650	1,749	2,399	6,588
Net book value					
At 31 March 2019	1,196	265	241	506	1,702
At 31 March 2020	2,371	177	216	393	2,764

9. Debtors

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Trade debtors	4,112	1,742	3,715	1,646
Amounts due from subsidiary undertaking	—	9	—	553
Other debtors	243	243	124	124
Deferred tax	1,133	1,133	1,250	1,250
Prepayments and accrued income	1,566	1,566	1,352	1,352
Directors' loans	283	283	628	628
	7,337	4,976	7,069	5,553

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.

Notes to the Financial Statements

for the year ended 31 March 2020

10. Investments

The investment in Worthstone Limited is held at £1 (2019: £1), being cost less impairment, as the fair value cannot be measured reliably.

11. Cash at bank and in hand

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

12. Cash equivalents

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

13. Creditors

	Group 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Accruals and deferred income	3,522	3,485	4,290	4,247
Trade creditors	1,425	582	1,296	1,296
Other creditors	589	589	652	652
Corporation tax	923	821	824	461
Other taxation and social security	4,512	3,337	3,784	2,797
	10,971	8,814	10,846	9,453

Within other creditors £529,000 (2019: £589,000) for both the Group and Company is due over one year. This relates to the exceptional pension cost in the year to 31 March 2018 (see note 5).

Notes to the Financial Statements

for the year ended 31 March 2020

14. Called up share capital

<i>Group and Company</i>	2020 £'000	2019 £'000
Authorised:		
440,000 (2019: 440,000) Ordinary Shares of £1	440	440
60,000 (2019: 60,000) Ordinary Non-Voting Shares of £1	60	60
5,500,000 (2019: 5,500,000) 'P' Ordinary Shares of £1	5,500	5,500
	6,000	6,000
	2020 £'000	2019 £'000
Allotted and fully paid:		
216,137 (2019: 216,137) Ordinary Shares of £1	216	216
26,000 (2019: 26,000) Ordinary Non-Voting Shares of £1	26	26
	242	242

During the year the Company did not issue any Ordinary Shares (2019: nil). The Company did not issue Ordinary Non-Voting Shares. During the previous year, the Company redeemed 4,950,000 'P' Ordinary Shares at par.

Shareholders as at 31 March 2020 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.
 13,959 Ordinary Shares are owned by the current Executive Directors.
 6,667 Ordinary Shares are owned by the CCLA Employee Share Trust
 4,844 Ordinary Shares are owned by the retired Executive Directors.
 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.

On 1 April 2020, the 216,137 Ordinary Shares in the Company of £1 each, and 26,000 Non-Voting Ordinary Shares in the Company of £1 each, were subdivided into 21,613,700 Ordinary Shares of £0.01 each and 2,600,000 Non-Voting Ordinary Shares of £0.01 each.

In the opinion of the Directors, the Company has no ultimate controlling party.

Notes to the Financial Statements

for the year ended 31 March 2020

15. Equity dividends

	2020 £'000	2019 £'000
Interim Dividend		
'P' Ordinary Shares	–	148
£0.00 (2019: £0.03) per £1 share		
Ordinary Shares	3,570	2,894
£15.00 (2019: £12.00) per £1 share		
Total dividend paid	3,570	3,042

The dividends paid are accounted for as follows:

	2020 £'000	2019 £'000
Equity dividend movements in statement of changes in equity	3,541	3,042
Equity dividends expensed within administrative expenses in income statement (see note 5)	29	–
Total dividend paid	3,570	3,042

16. Reconciliation of cash flows from operating activities

	2020 £'000	2019 £'000
Profit for the financial year	9,492	6,973
Interest receivable	(202)	(176)
Tax on profit on ordinary activities	2,436	1,699
Operating profit	11,726	8,496
Depreciation expense	202	193
Amortisation expense	168	1
(Decrease)/increase in creditors	(171)	1,646
Increase in debtors	(193)	(612)
Amortisation of equity settled awards	640	827
Net cash from operating activities	12,372	10,551

Notes to the Financial Statements

for the year ended 31 March 2020

17. Commitments and contingent liabilities

(a) Operating lease commitments

The Group and Company had commitments as set out below:

	2020 £'000	2019 £'000
Within one year	560	560
Between one and five years	358	918
	918	1,478

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.

(b) Contingent liability

The Company is awaiting the results of the triennial valuation of the Church Workers' Pension Fund Defined Benefit Scheme as at 31 December 2019. There is a possibility of a liability for the Company being quantified as a result. As at the date of signing of this Annual Report, we have had no indication of the likelihood of there being such a liability, or the amount of a liability should it arise.

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 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
The Church of England Investment Fund and other CBF Funds	11,641	11,594	10,494	10,400
COIF Charities Investment Fund and other COIF Charity Funds	22,165	47	18,689	94
LAMIT and The Local Authorities Property Fund	7,672	–	6,800	–

The above mentioned related parties are shareholders in the Company.

At the year ended 31 March 2020 there were outstanding related party transactions as follows: £1,004,000 due to the Group and Company from the CBF Funds (2019: £1,013,000) and £2,286,000 due to the Group from the COIF Funds (2019: £2,128,000).

Please refer to note 5 and the Directors' remuneration report, pages 41 and 42, for details of Directors' remuneration and key management personnel compensation for the Group.

Notes to the Financial Statements

for the year ended 31 March 2020

18. Related party transactions (continued)

Loans were made to Executive Directors during the year to assist them in purchasing new Ordinary Shares in CCLA, under the Long Term Incentive Plan, as follows:

	Loan and interest due at 1 April 2019 £	Loans made during the year £	Loans repaid during the year £	Interest charged during the year £	Written off during the year £	Loan due at 31 March 2020 £
Peter Hugh Smith	–	530,640	–	–	–	530,640
Elizabeth Sheldon	–	423,480	(693)	693	–	423,480
James Bevan	308,298	72,865	(20,661)	2,301	–	362,803
Andrew Robinson	308,298	72,865	(20,661)	2,301	–	362,803
Michael Quicke	457,898	–	(183,115)	–	(274,783)	–
Total	1,074,494	1,099,850	(225,130)	5,295	(274,783)	1,679,726
Amortisation ⁽ⁱ⁾	(446,103)	–	–	–	78,270	(367,833)
Total	628,391	1,099,850	(225,130)	5,295	(196,513)	1,311,893

⁽ⁱ⁾ 50% of the value of the initial loan values are amortised by CCLA over the five years from the date of issue. This period may be shortened for the latest loans issued in the current year so that the loan is fully amortised when the relevant Director is aged 60.

Features of these loans to Executive Directors are as follows:

- (a) Repayments of 5% of the original loan (2.5% for the most recent loans, issued in the current year) are made per annum.
- (b) The loans carry an interest rate which is variable, based upon published rates.
- (c) The loans are not included in Directors' emoluments disclosed on page 42, except for the beneficial interest benefit declared for tax purposes; and any write-off applied to the Directors' loans.

The above loans made during the year of £1,099,850 are accounted for as the cost of Treasury shares (see note 1(g)(ii)) and the amortisation applying to them of £71,326 (see note 5) is accounted for as a share-based payment expense. The loans made in prior years are accounted for: at transaction price on initial recognition; and thereafter at amortised cost using the effective interest method.

The amount due as shown in the table above as at 31 March 2020 of £1,312,000 (rounded) corresponds to: Treasury shares of £1,100,000; plus Directors' loans within debtors of £283,000 (see note 9); less the share based payment liability generated over vesting of £71,000, within accruals and deferred income (see note 13). The corresponding balance of £628,000 (rounded) as at 31 March 2019 was shown in Directors' loans within debtors (see note 9).

Notes to the Financial Statements

for the year ended 31 March 2020

18. Related party transactions (*continued*)

During the year, John Tattersall, a Non-Executive Director, was a Director of UBS Business Services AG. CCLA has made payments during the year of £107,432 (2019: £61,224) to UBS group entities (with no outstanding balance due at the year end) for research and portfolio analysis.

19. Subsidiary and related undertakings

CCLA Fund Managers Limited is the lone wholly-owned subsidiary undertaking of the Company, which holds 100% of its 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 2020 £'000	Company 2020 £'000	Group 2019 £'000	Company 2019 £'000
Investment in subsidiary	–	2,700	–	2,700
	–	2,700	–	2,700

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

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

Longer term trends in performance (unaudited)

Funds under management

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

Years to 31 March	*Funds under management £ million	Net Fund Flows		Total fund flow £ million
		Long-term funds £ million	Cash funds £ million	
2016	6,009	+449	-75	+374
2017	7,161	+451	+183	+635
2018	7,842	+587	-69	+518
2019	9,053	+603	+245	+848
2020	9,787	+834	+173	+1,007

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

Financial performance

Years to 31 March	Turnover £'000	Pre-tax profit before exceptional items £'000	Exceptional non-recurring and one off items £'000	Pre-tax profit/(loss) £'000	Capital and reserves £'000	Minimum Regulatory capital requirement £'000
		£'000	£'000	£'000	£'000	£'000
2016	26,034	6,020	(313)	5,707	20,615	4,267
2017	29,908	7,465	(642)	6,823	25,200	4,674
2018	35,097	9,182	(2,056)	7,126	29,174	5,279
2019	39,058	10,040	(1,368)	8,672	27,614	6,571
2020	45,462	11,928	—	11,928	32,617	6,750

Longer term trends in performance (unaudited)

Share valuation and dividends per share

Up to June 2019, CCLA has been valued annually as at 30 June. Valuations were carried out as at 30 November 2019 and, in light of exceptional share price movements during the Covid-19 pandemic, 31 March 2020. Valuations are now planned to take place on a regular basis twice a year, as at 31 May and 30 November, unless circumstances require this to be changed. Valuations are based on the results for the previous year (or period) and the budget for the following year (or forecast for the remainder of the current year). This share price is used to value the CCLA holding by The CBF Church of England Investment Fund and the COIF Charities Investment Fund. This valuation is also used by the Long Term Incentive Plan and Deferred Bonus Scheme.

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

	Share valuation	Dividend per share
2015	£114.18	£3.00
2016	£133.49	£6.00
2017	£202.42	£9.00
2018	£290.00	£12.00
2019	£352.00	£15.00

As at 31 March 2020 the share valuation was £295.00.

List of organisations that we have supported during the year

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

ABF – the Soldiers Charity	HR Directors' Forum
Advice UK	Honorary Treasurers Forum
Association of Chairs	Independent Schools Bursars Association
Association of Charitable Foundations	Innovation for Agriculture
Association of Charitable Organisations	Institute for Voluntary Action Research
Association of Charity Independent Examiners	Institutional Investors Group on Climate Change
Association of Chief Executives of Voluntary Organisations	Koestler Trust
Association of Chief Executives of Scottish Voluntary Organisations	League of Remembrance
Association of Church Accountants and Treasurers	Local Government Association
Association of English Cathedrals	Local Government Information Unit
Association of Provincial Bursars	Local Trust
Bible Society	London Funders
BlindAid	Mission Housing
Berkshire Community Foundation	Natashas Project
Business Benchmark of Farm Animal Welfare	National Association of British Market Authorities
Brainwave	National Association of Local Councils
Cambridge Endowment for Research in Finance	National Churches Trust
Campaign to Protect Rural England	National Council for Voluntary Service
Carbon Disclosure Project	National Federation of Women's Institutes
Carbon Limiting Technologies	NHS Charities Together
Caritas Social Action Network	Northern Ireland Local Government Association
Cathedral Administrators Finance Association	Prison Advice and Care Trust
Catholic Charities Conference	Pollard Trust
Centre for Enterprise Markets & Ethics	Royal Air Force Benevolent Fund
Chartered Institute of Public Finance and Accountancy	Responsible Finance
Charity Investors Group	Room 151
Christian Aid	Royal Naval Benevolent Trust
Church of England	St Vincent de Paul Society
Church Investors Group	Scottish Charity Finance Group
Churches Conservation Trust	Scottish Council of Voluntary Organisations
Civil Society	ShareAction
County Councils Network	Society of Local Council Clerks
County Officers Forum	Society of Municipal Treasurers
Culham St Gabriel	Society of Unitary Treasurers
District Councils Network	Soldiers Sailors Airmen and Families Association
Dominican Friars – England & Scotland	Surfers Not Street Children
Ecumenical Council for Corporate Responsibility	Switchback
Ella Foundation	Theos
Enabling Enterprise	The Additional Curates Society
Evangelical Alliance	The Almshouse Association
Feed the Minds	Together for the Common Good
Gurdwara Aid	Worthingstone UK
Headway	UK Community Foundations

Company Information

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



www.ccla.co.uk

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

Both companies are authorised and regulated by the Financial Conduct Authority.

Registered address: Senator House, 85 Queen Victoria Street, London EC4V 4ET.

Printed on 100% post consumer waste and is certified by the Forest Stewardship Council (FSC).