

THE CBF CHURCH OF ENGLAND DEPOSIT FUND
ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the year ended 31 December 2025

CCLA

CONTENTS

Report of the Trustee	03
Report of the Investment Manager*	07
Independent Auditor's Report	11
Summary risk indicator	15
Average rates of interest paid	16
Interest paid table	17
Summary of deposits placed by maturity	17
Statement of total return**	18
Statement of change in net assets attributable to depositors**	18
Balance sheet**	19
Notes to the financial statements**	20
Statement of Trustee and Manager responsibilities	27
Directory*	29

*Collectively, these comprise the Manager's Report.

**Audited.

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

Disability Discrimination Act 1995

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

REPORT OF THE TRUSTEE

for the year ended 31 December 2025

On behalf of the Trustee, I have pleasure in presenting the Annual Report and Audited Financial Statements of The CBF Church of England Deposit Fund (the Fund), which includes a separate report from CCLA Investment Management Limited (the “Manager”) as Manager of the Fund. The Manager is authorised and regulated by the Financial Conduct Authority (“FCA”).

Structure and management of the Fund

The Fund is a deposit fund established under the Church Funds Investment Measure 1958, as amended by the Church of England (Miscellaneous Provisions) Measure 1995, the Church of England (Miscellaneous Provisions) Measure 2000, the Church of England (Miscellaneous Provisions) Measure 2006, the Church of England (Miscellaneous Provisions) Measure 2010, and the Church Funds Investment Measure 2025 (together the “Measure”) and the Trustee Act 2000. The Fund was formed on 1 May 1958. The Fund is not a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 (“FSMA”) as amended or changed from time to time.

CBF Funds Trustee Limited (the “Trustee”) is the Trustee and Operator of the Fund. The Trustee is a company incorporated under the Companies Act 1985 (now Companies Act 2006). It is a registered charity (No. 1116932) and is incorporated in England and Wales as a company limited by guarantee.

The Manager has been appointed by the Trustee pursuant to the investment management agreement dated September 2008 to provide discretionary investment management services as well as administrative and registration services under the investment management agreement.

Under the provisions of FSMA, the Trustee is not considered to be operating the Fund “by way of business”. Consequently, it is not required to be authorised or regulated by the FCA and its members are not required to be approved by the FCA for this purpose.

As the Fund is structured as an unregulated fund, deposits in the Fund are not covered by the Financial Services Compensation Scheme.

Charitable status

The Fund is entitled to charitable status by virtue of section 103(4) of the Charities Act 2011. In the administration of the Fund, the Trustee is exempt from the jurisdiction of the Charity Commission by virtue of section 5(1) of the Church Funds Investment Measure 1958.

Investment objective

The Fund aims to provide a high level of capital security and competitive rates of interest.

REPORT OF THE TRUSTEE

for the year ended 31 December 2025

Investment policy

The Fund is an actively managed, diversified portfolio of sterling denominated money market deposits and instruments. It will principally invest in sterling denominated call accounts, notice accounts, term deposits and money market instruments, but may invest in other assets, which may be either liquid or illiquid in nature.

Comparator benchmark

The comparator benchmark for the Fund is the Sterling Overnight Index Average (SONIA), or a similar short-term measure which may replace or succeed it from time to time. This index was chosen as it is widely used in the banking and investment industries and meets accepted international standards of best practice.

The comparator benchmark sets a standard against which the performance of the Fund can be assessed.

Target investors

The Fund is intended for eligible charity investors, with at least a basic knowledge of relevant financial instruments, which are affiliated with the Church of England and seeking to invest in an actively managed fund that reflects the investment objective and investment policy of the Fund. Investors should understand that their capital may be at risk and have the ability to bear losses.

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

Eligible depositors may be either retail or professional clients (both per se and elective).

Review of investment activities and policies of the Fund

The Trustee is ultimately responsible for The CBF Church of England Funds and receives reports on the published financial statements.

The Trustee holds at least four meetings each year and monitors the investment, property and cash management, administration, registration and company secretarial services provided by the Manager under the investment management agreement. The Trustee has appointed an audit committee to review the financial statements of the Fund and to receive and consider regular reports from the Manager on the management and administration of the Fund. The deposits placed with financial institutions are held by the Trustee in the name of the Fund. In the event that the Manager elects to invest in money market securities, the Trustee has authorised the appointment of the custodian to hold such securities.

Delegation of functions

Following its regular meetings and consideration of the reports and papers it has received, the Trustee is satisfied that the Manager, to whom it has delegated the administration and management of the Fund, has complied with the terms of the Church Funds Investment Measure 1958 and with the investment management agreement.

REPORT OF THE TRUSTEE

for the year ended 31 December 2025

Controls and risk management

The Trustee receives and considers regular reports from the Manager. Ad hoc reports and information are supplied as required.

The Trustee has appointed HSBC Bank plc Trustee and Depositary Services to oversee the Manager in respect of its activities related to the management, oversight, supervision and administration of the Fund, including the custody and safekeeping of the property of the Fund. HSBC Bank plc Trustee and Depositary Services also provide semi-annual reviews to the Trustee. This oversight provides an additional layer of comfort for Depositors.

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

At its periodic audit committee meetings, the Trustee receives a report from the Chief Risk Officer of the Manager which covers the following areas amongst others:

- breaches and complaints recorded on the Fund during the reporting period;
- compliance monitoring reviews relevant to the Fund during the reporting period;

- a summary of the internal audit reviews carried out during the reporting period and any significant findings;
- an enterprise risk report which outlines any operational risk events which impacted the Fund; and
- an investment risk report on the Fund with relevant metrics as at the last month end prior to the audit committee meeting.

The Manager is currently considering the launch of a Charity Authorised Investment Fund (“CAIF”), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to Trustee and depositor approval. Should this be approved, on completion of the transfer, the CBF Church of England Deposit Fund would cease operations and be wound up, with the depositors’ existing deposits in the CBF Church of England Deposit Fund being replaced with their equivalent in the new CAIF fund. This change in structure will result in VAT savings on the Annual Management Charge (AMC) and increased regulatory protection for holders of the fund. For existing and future depositors, the investment experience and service they receive will be unchanged, and the transfer will be undertaken with the minimum of disruption.

The going concern principle applies simply to the vehicle in which the investments are packaged and not to the continuance of the investment offering to depositors.

REPORT OF THE TRUSTEE**for the year ended 31 December 2025**

The Archbishops' Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than going concern.

Acquisition by Jupiter Fund Management

On 2 February 2026, CCLA Investment Management Limited was acquired by the Jupiter Group (a UK-based active investment management company). The transaction followed an extensive strategic review and engagement with key stakeholders and is expected to

support the long-term sustainability of the business. CCLA will retain its brand, investment philosophy and client service model, while benefiting from access to the Jupiter Group's broader investment capabilities, resources and infrastructure. Planning for operational and regulatory integration commenced in the latter part of 2025 and continues following completion of the transaction.

CCLA remains committed to serving churches, charities and local authorities.

A Brookes, Chair
CBF Funds Trustee Limited
11 May 2026

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2025

Performance

The Fund's declared rate over the year averaged 4.28% (an annual equivalent rate (AER) of 4.35%); the Fund's comparator benchmark, the Sterling Overnight Index Average (SONIA) returned 4.31%. As of 31 December 2025, the Fund's declared rate was 3.80%, or 3.85% AER.

The Fund rules strongly emphasise security and liquidity. This means that, after expenses, there is little opportunity for the Fund's return to exceed that of its benchmark. Depositors can assess the competitiveness of the Fund's daily rate by comparing it against the returns from other similar products, as well as other options such as savings and banking accounts.

Client deposits in the Fund, excluding those of the other CBF Funds, increased by £106 million in 2025, the third largest annual increase in the life of the Fund. As of 31 December 2025, those deposits totalled £962 million.

Market Review

The Fund operates in the sterling money market, a financial market for liquid, low-risk debt, mostly issued by banks. Interest rates in that market correlate closely with the Bank of England (BoE)'s Official Bank Rate (OBR). The BoE sets OBR eight times per year to keep consumer price (CPI) inflation at 2% over the medium term. To manage the fund, therefore, we keep a close eye on the BoE and on the state of the economy, including inflation.

Consumer price (CPI) inflation remained above the BoE's 2% during 2025. It rose from 3.0%, year on year (yoy) in January 2025 to 3.8% yoy in July, August and September, falling to 3.4% in December¹.

All year long, however, the BoE forecast that inflation would return to its 2.0% target in the long run. That's why, despite above-target inflation in every month of the year, the Bank cut OBR four times in 2025 to support economic growth.

- **FEBRUARY.** At the start of 2025, economic sentiment was poor, and CPI inflation for December 2024 came in at a lower-than-expected 2.5%, yoy. In early February, therefore, the BoE cut its OBR from 4.75% to 4.50%. Later in the month, CPI inflation was reported to have risen to 3.0%, yoy, in January 2025.
- **MAY.** The BoE next cut OBR in May, from 4.50% to 4.25%. Later that month, CPI inflation was reported to have jumped to 3.5%, yoy, in April, its highest level in 12 months. That increase was due to higher utility bills, council tax rises and the higher employer national insurance contributions that Chancellor Rachel Reeves had announced in October 2024. In May, inflation fell to 3.4%, yoy. The BoE feared that oil prices might rise due to conflicts in the Middle East, so it kept its OBR unchanged at 4.25% during June.

¹ Source of inflation: Office for National Statistics (ONS). Source of other economic data: Bank of England.

REPORT OF THE INVESTMENT MANAGER

for the year ended 31 December 2025

- **AUGUST.** Consumer price inflation rose to 3.6%, year on year (yoy), in June, and to 3.8% in July and August. Inflation mainly rose because of airfares and food costs, but also because fuel prices fell less in the 12 months to July 2025 than in the preceding 12 months. Nevertheless, the BoE cut its OBR from 4.25% to 4.00% in August. At the time, the Bank re-emphasised that it expected inflation to peak in September before falling to 2% in 2026.
- **DECEMBER.** The BoE kept interest rates on hold at its September and November meetings, as it awaited the government's later-than-usual Autumn Budget on 26 November. CPI inflation remained at 3.8%, yoy, in September, but fell to 3.2% in November. That gave the BoE room to cut OBR from 4% to 3.75% in mid-December. In early 2026, inflation was reported to have crept up to 3.4%, yoy, in December.

Sterling Overnight Index Average (SONIA), the Fund's benchmark, is the shortest-date interest rate in the sterling money market. During the 12 months under review, SONIA fell from 4.70% at the end of 2024 to 3.73% at the end of 2025.

SONIA's 0.97 percentage point fall between the end of 2024 and the end of 2025 mirrored the Bank of England's 1% cut to OBR over the same timeframe. The Fund's declared rate, however, fell only 0.80 percentage points over that time, from 4.60% at the end of 2024 to 3.80% at the end of 2025.

Strategy

The Fund is structured to provide both capital security and adequate daily liquidity. Its short-term nature allows us to quickly change its portfolio, to reflect our assessment of changing market conditions.

We place the Fund's assets strictly within agreed limits with a diversified list of quality financial institutions to achieve low overall risk and high security of capital. We constantly monitor the Fund's List of Approved Financial Institutions, and immediately change lending limits if and when CCLA's assessment of credit quality changes.

The Fund has maintained a high level of liquidity to ensure that sufficient money is always readily available to meet client withdrawals. The balance of the Fund was invested for periods of up to 397 days, to boost its overall yield for the benefit of depositors.

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2025

The Fund's weighted average maturity, as of 31 December 2025, was 98.5 days. With the BoE in a cutting cycle, we extended the Fund's duration to take advantage of more favourable yields on longer-dated instruments.

Rated AAf/S1 by Fitch Ratings

Following a regular scheduled review, Fitch Ratings affirmed the Fund's 'AAf/S1' rating on 6 December 2024.

This rating reflects the high quality of the Fund's List of Approved Financial Institutions, its appropriate investment policy, a low overall level of risk through diversification, and the quality of management and internal controls.

Fitch Ratings award this rating to funds that have the lowest credit risk and where the total returns exhibit relative stability, performing consistently across a broad range of interest rate scenarios and changing market conditions.

Approach to Sustainability

The Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainable investment label because it does not have a sustainability goal.

However, the Fund does follow an engagement prioritisation framework that includes targeted engagement with counterparties on issues including, but not limited to, climate change and human rights. To help prioritise this

engagement we assess financial institutions against sustainability factors including their coal and oil expansion policies (analysis by Reclaim Finance) and their governance (using CCLA's own governance rating). Further details of this approach are available at www.ccla.co.uk/about-us/policies-and-reports/policies/our-sustainability-approach-cash-funds.

Recognising the importance of engagement to the sustainability approach, the Manager has adopted an engagement metric. The Manager, no less than annually, will disclose the proportion of active counterparties that have been engaged with directly and report on the effectiveness of these engagements.

Sustainability and Climate-related financial disclosures

CCLA recognises that the investments within the Fund have an impact on the health of the climate. Equally, climate change could influence the performance of investments in the Fund because healthy markets need a healthy planet and healthy communities. Additionally, CCLA has committed to reporting, at least annually, against its approach to sustainability. This is accomplished via the publication of a product-level sustainability report for each fund it manages. The content of this report aligns with the requirements of the environmental, social and governance (ESG) sourcebook published by the Financial Conduct Authority (FCA) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

REPORT OF THE INVESTMENT MANAGER for the year ended 31 December 2025

The funds Public product-level sustainability report can be found in the individual fund's document section of website <https://www.ccla.co.uk/funds/cbf-church-england-deposit-fund>

Outlook

The BoE is widely expected to ease policy further in 2026. The February meeting of the MPC held Bank Rate at 3.75%, with a narrow 5-4 split, indicating genuine division among policymakers about how quickly to cut. Inflation has shown clear signs of cooling, with CPI falling to 3% in January, the lowest since March 2025, supported by declines in fuel, food and airfares. But services inflation remains sticky, and core inflation is still above 3%, which is keeping the MPC cautious.

Domestic economic growth momentum remains weak, the labour market is softening, and wage growth has cooled – all factors that support the case for incremental easing. However, the restrictiveness of monetary policy has fallen as Bank Rate has been reduced by 1.5% since August 2024, and a number of rate setters have commented that Bank Rate is approaching a “neutral rate,” meaning we are likely entering the final states of this rate cutting cycle.

S Freeman

Director, Investments (Cash)

CCLA Investment Management Limited

11 May 2026

Risk warning

The Manager undertakes to exercise reasonable care in its placing of deposits with a selected list of banks and building societies but it cannot give guarantees regarding repayment of deposits. The daily yield

on the Fund is variable and past performance is no guarantee of future returns. Deposits in the Fund are not covered by the Financial Services Compensation Scheme.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Deposit Fund

Report on the audit of the financial statements*Opinion*

In our opinion the financial statements of
The CBF Church of England Deposit Fund
(‘the Fund’):

- give a true and fair view of the financial position of the Fund as at 31 December 2025 and of the net revenue and the net capital loss on the property of the Fund for the year ended 31 December 2025;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Church Funds Investment Measure 1958 (‘the Measure’) Scheme Information and the Trustee Act 2000.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the distribution tables; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), and the Charities Act 2011.

Basis for opinion

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

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

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Deposit Fund

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1a in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Trustees and Manager

As explained more fully in the Statement of Trustee and Manager Responsibilities, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Deposit Fund

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the relevant tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the fund. In response we have: assessed the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

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

INDEPENDENT AUDITOR'S REPORT

to the Shareholders and the CBF Funds Trustee Ltd ('the Trustee')
of The CBF Church of England Deposit Fund

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

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

Use of our report

This report is made solely to the Shareholders of the Fund, as a body, in accordance with Paragraph 14 of the Schedule to the Church Investment Funds Measure 1958. Our audit work has been undertaken so that we might state to the Shareholders of the Fund those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Shareholders of the Fund as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
11 May 2026

SUMMARY RISK INDICATOR

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



The Manager has classified The CBF Church of England Deposit Fund as 1 out of 7, which is the lowest risk class. This rates the potential losses from future performance at a very low level and poor market conditions are very unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

The summary risk indicator assumes deposits in the Fund for the Recommended Holding Period of less than one year.

Depositors can request a withdrawal at any time and the Fund deals on a daily basis. The Fund does not include any protection from counterparty failure, so you could lose some or all of your deposit.

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

AVERAGE RATES OF INTEREST PAID
for the year ended 31 December 2025

Month	Actual % p.a.	Gross AER* % p.a.
January 2025	4.60	4.68
February 2025	4.52	4.59
March 2025	4.45	4.52
April 2025	4.45	4.52
May 2025	4.45	4.52
June 2025	4.45	4.52
July 2025	4.30	4.37
August 2025	4.10	4.17
September 2025	3.96	4.02
October 2025	4.03	4.09
November 2025	4.05	4.11
December 2025	3.98	4.04

Calendar year	Actual % p.a.	Gross AER* % p.a.
2020	0.42	0.42
2021	0.05	0.05
2022	1.31	1.32
2023	4.50	4.57
2024	5.04	5.14
2025	4.28	4.35

* Annual Equivalent Rate (AER) illustrates what the annual interest rate would be if the quarterly interest payments were compounded.

The rates are published on the Manager's website at www.ccla.co.uk.

INTEREST PAID TABLE

for the year ended 31 December 2025

Period ended	Date of payment		Total £'000	Average rates of interest paid	
				2025 %	2024 %
31 March	2 April 2025	3 April 2024	9,783	4.52	5.27
30 June	2 July 2025	2 July 2024	9,864	4.45	5.19
30 September	2 October 2025	2 October 2024	9,778	4.12	4.99
31 December	5 January 2026	3 January 2025	9,788	4.02	4.71
			39,213	4.28	5.04

Amounts paid include interest paid on closed accounts during the year.

SUMMARY OF DEPOSITS PLACED BY MATURITY

for the year ended 31 December 2025

Repayable	Year ended 31.12.2025		Year ended 31.12.2024	
	£'000	%	£'000	%
On call	35,326	3.62	43,187	4.96
Within 5 business days	98,000	10.04	95,000	10.90
Within 30 days	123,000	12.60	72,000	8.26
Between 31 and 60 days	148,500	15.21	139,000	15.95
Between 61 and 91 days	144,000	14.75	135,000	15.49
Between 92 and 182 days	254,141	26.03	302,132	34.67
Between 183 days and one year	173,250	17.75	85,081	9.77
Total deposits	976,217	100.00	871,400	100.00

STATEMENT OF TOTAL RETURN
for the year ended 31 December 2025

	<i>Note</i>	Year ended 31.12.2025		Year ended 31.12.2024	
		£'000	£'000	£'000	£'000
Net capital gains/(losses)			1		(2)
Revenue	2	41,590		45,102	
Expenses	3	(2,359)		(2,148)	
Net revenue			39,231		42,954
Total return before distribution			39,232		42,952
Distributions			(39,213)		(41,919)
Net increase in income reserve			19		1,033

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO DEPOSITORS
for the year ended 31 December 2025

	Year ended 31.12.2025		Year ended 31.12.2024	
	£'000		£'000	
Opening net assets attributable to depositors	–		–	
Increase in total assets	106,015		62,782	
Decrease in total liabilities	(106,015)		(62,782)	
Closing net assets attributable to depositors	–		–	

The notes on pages 20 to 26 form part of these financial statements.

BALANCE SHEET
at 31 December 2025

	<i>Note</i>	31.12.2025 £'000	31.12.2024 £'000
ASSETS			
Loans receivable	5	1,391	2,205
Other debtors	6	12,949	11,751
Cash		5,326	13,187
Cash equivalents		969,500	856,008
Total assets		989,166	883,151
LIABILITIES			
Current deposits	7	962,435	856,049
Other creditors	8	10,016	10,406
Income reserve	9	16,715	16,696
Total liabilities		989,166	883,151

The financial statements on pages 18 to 26 have been approved and authorised for issue by the Trustee.

Approved on behalf of the Trustee
11 May 2026

A Brookes, Chair
CBF Funds Trustees Limited

The notes on pages 20 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a basis other than that of a going concern, as a result of the intention to transition the CBF Church of England Deposit Fund into new Charity Authorised Investment Fund (“CAIF”) in 2027. This basis includes, where applicable, writing the Fund’s assets down to net realisable value. As of the reporting date, no assets have been written down, and they continue to be reflected at their fair value. No provision has been made for the future cost of terminating the Fund unless such costs were committed at the reporting date. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these financial statements and applicable accounting standards have been followed.

The financial statements have been prepared in compliance with FRS 102, the Scheme Information, The Church Funds Investment Measures Act 1958 and the Trustee Act 2000.

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

The Manager is currently considering the launch of a Charity Authorised Investment Fund (“CAIF”), a new investment vehicle which has specifically been designed by the FCA for the charity sector, to which the assets and liabilities of this entity could be transferred. Any such change of structure would be subject to investor consultation and Trustee approval. Should this be approved, on completion of the transfer, The CBF Church of England Deposit Fund would cease operations and be wound up, with the investors’ existing holdings in The CBF Church of England Deposit Fund being replaced with their equivalent in the new CAIF fund. This change in structure will result in VAT savings on the Annual Management Charge (AMC) and increased regulatory protection for holders of the fund.

The going concern principle applies simply to the vehicle in which the investments are packaged and not to the continuance of the investment offering to depositors.

The Archbishops’ Council supported the draft legislation that went to Synod. The legislation has received Royal Assent, enabling the future conversion of the funds. Although the timetable is still to be determined following the completion of Trustee approvals, given the intention is to transition the CBF funds into new CAIF funds in 2027, the Trustee has concluded that the financial statements should be prepared on a basis other than that of a going concern.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. Accounting policies (*continued*)

(b) *Valuation of deposits*

The Fund's deposits are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount, rather than at current market value. Deposits are classified as cash equivalents on the balance sheet.

(c) *Revenue recognition*

Interest on bank and building society deposits, other eligible securities and interest on the Diocesan Loan Scheme are accrued on a daily basis.

(d) *Expenses*

During the year, the annual management charge (AMC), paid to the Manager, was taken to the revenue of the Fund before interest paid. The AMC is based on a fixed percentage of the value of the Fund and was 0.20% per annum plus VAT for the year.

On a daily basis, the net asset value of the Fund at the end of the previous day is taken to calculate the AMC due. The Manager charges an AMC for the provision of managing investments.

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

(e) *Distributions*

Interest is paid quarterly. The Fund utilises an income reserve to facilitate the payment of interest to depositors (see note 9). Movement in the income reserve are therefore adjustments made to net revenue in determining the distribution.

2. Revenue

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Interest on deposits at banks and building societies	41,590	45,102
	41,590	45,102

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. Expenses

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge – see note 1(d)	2,248	2,043
	2,248	2,043
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Safe custody fees	35	27
Monitoring fee	21	19
Bank charges	5	4
	61	50
Other expenses:		
Audit fee	11	11
Insurance fee	12	12
Other fees	27	32
	50	55
Total expenses	2,359	2,148

The above expenses include VAT where applicable.

Audit fee net of VAT is £9,400 (31.12.2024, £8,750).

4. Taxation

The Fund has charitable status and is exempt from UK Income and Capital Gains Tax pursuant to Part 11 Chapter 3 of the Corporation Tax Act 2010. Distributions are paid and reinvested revenue credited gross to depositors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

5. Loans receivable

	31.12.2025 £'000	31.12.2024 £'000
Loans to Diocesan Boards of Finance:		
Due within one year	141	135
Due within one to two years	–	770
Due within two to five years	1,000	–
Due after five years	250	1,300
	1,391	2,205

As at 31 December 2025, there were 4 (31.12.2024, 6) outstanding variable interest rate loans with the Dioceses, ranging from £140,682 to £500,000 (31.12.2024, from £10,000 to £800,000). During the year interest chargeable on the loans was between 4.58% to 5.00% (31.12.2024, between 5.23% and 5.85%).

6. Other debtors

	31.12.2025 £'000	31.12.2024 £'000
Interest receivable	12,941	11,743
Prepayments	8	8
	12,949	11,751

7. Current deposits

	31.12.2025 £'000	31.12.2024 £'000
Dioceses, parishes and other	961,618	855,267
The CBF Church of England Investment Fund	–	–
The CBF Church of England Property Fund	817	782
	962,435	856,049

Deposits are repayable to clients on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

8. Other creditors

	31.12.2025 £'000	31.12.2024 £'000
Interest payable	9,789	10,192
Accrued expenses	227	214
	10,016	10,406

There were unclaimed distributions as at 31 December 2025 of £nil (31.12.2024, £17,776).

9. Income reserve

The Fund utilises a reserve which is accumulated out of revenue. The principal purpose of the income reserve is to facilitate the payment of interest to depositors at each distribution period end, even though a proportion of the revenue earned by the Fund over the quarter will not be received until the maturity date of individual deposits.

The reserve is also available as a provision against potential default of counterparties and permits, subject to the limits agreed by the Board, and provision of loans to Diocesan Authorities (up to the value of the reserve) without detriment to the Funds AAAs/S1 Fitch rating. The reserve can also be used to augment the Fund's deposit rate.

	Year ended 31.12.2025 £'000	Year ended 31.12.2024 £'000
Income reserve at the start of the year	16,696	15,663
Transfer from income reserve	19	1,033
Income reserve at the end of the year	16,715	16,696

10. Financial instruments

The main risks arising from the Fund's financial instruments and the Manager's policies for managing these risks are summarised below.

Credit risk

The Fund is exposed to a risk regarding the repayment of deposits from the counterparties. To minimise this, the assets of the Fund are strictly placed, within agreed limits, with a diversified list of quality counterparties in order to achieve a very low overall level of risk and high security of capital. The list of approved counterparties is constantly monitored by the Investment Committee and credit limits immediately amended following credit rating upgrades and downgrades.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

10. Financial instruments (continued)

Liquidity risk

Financial instruments held by the Fund, excluding short-term debtors and creditors, are made up of sterling fixed interest securities and sterling cash deposits. These assets are generally liquid and enable the Fund to meet the payment of any repayment requests from depositors.

Currency risk

There was no foreign currency exposure within the Fund at 31 December 2025 (31.12.2024, £nil).

There were no derivatives held by the Fund during the current year or prior year.

Interest rate risk

The Fund invests in fixed rate and floating rate deposits. Changes in the interest rate will result in revenue either increasing or decreasing; this may also result in a reassessment of interest paid to depositors.

The total exposure at 31 December 2025 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	35,326	940,891	12,949	989,166
Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	979,150	–	10,016	989,166

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

10. Financial instruments (continued)

Interest rate risk (continued)

The total exposure at 31 December 2024 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	43,187	828,213	11,751	883,151

Currency	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	872,745	—	10,406	883,151

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

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

It is estimated that a 1 basis point increase/decrease in interest rates would result in an increase/decrease of £90,800 in interest revenue (31.12.2024, £102,000).

11. Related party transactions

The Manager's periodic charge and fee for ethical and stewardship services are paid to the Manager, a related party to the Fund. The amounts incurred in respect of these charges are disclosed in note 3.

An amount of £206,287 was due to the Manager at 31 December 2025 (31.12.2024, £194,690). There were no other transactions entered into with the Manager during the year (31.12.2024, £nil).

CBFFT, as Trustee, is a related party to the Fund. There were no outstanding balances due to CBFFT at 31 December 2025 (31.12.2024, £nil). Balances held on behalf of other CBF Church of England Funds are disclosed in note 7. There were no other transactions entered into with CBFFT during the year (31.12.2024, £nil).

There is no individual account that had a deposit in excess of 20% of the Fund.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

The Trustee shall comply with the duty of care when exercising their powers and discharging their duties under the Church Funds Investment Measure (as amended from time to time) and the Trustee Act 2000 to:

- make and revise the written statement of the investment objectives of the Fund and details of such investment objectives will be included in the Scheme Information;
- determine the criteria and methods for evaluating the performance of the Fund;
- appoint the Auditor of the Fund and settle their terms of engagement;
- determine the rate of remuneration of the Manager in accordance with the Church Funds Investment Measure 1958 and the Scheme Information;
- exercise supervision and oversight of the Manager's compliance with the Church Funds Investment Measure 1958 and the Scheme Information. In particular, the Trustee shall be satisfied on a continuing basis that the Manager is competently exercising the powers and discharging the duties conferred or imposed on it by or pursuant to the provisions of the Church Funds Investment Measure 1958 and ensure the Manager is maintaining adequate and proper records;
- review the appointment, supervision and oversight of any Registrar or other delegate whom it has appointed in accordance with the provisions of the Scheme Information;
- review the custody and control of the property of the Fund and the collection of all revenue due to the Fund in accordance with the Church Funds Investment Measure 1958;
- apply interest payments to depositors based on their average daily balance in the Fund; and
- take all steps and execute all documents which are necessary to ensure that the deposits and withdrawals for the Fund are properly completed.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES**Preparation of financial statements**

The Trustee of the Fund is required, by the Church Funds Investment Measure 1958, to prepare Financial Statements which give a true and fair view of the financial position of the Fund at each half year and year end valuation date. The net revenue for the year, together with a report on the operation of the Fund is also required. In preparing these Financial Statements, the Trustee:

- selects suitable accounting policies that are appropriate for the Fund and applies them on a consistent basis;
- follows generally accepted accounting principles and applicable United Kingdom accounting standards;
- keeps proper accounting records which enables them to demonstrate that the Financial Statements, as prepared, comply with the above requirements;
- makes judgments and estimates that are prudent and reasonable; and
- prepares the Financial Statements on the going concern basis, unless it is inappropriate to presume this.

The Trustee is also required to manage the Fund in accordance with the Church Funds Investment Measure 1958 and has delegated to the Manager the day-to-day management, accounting and administration of the Fund, as permitted by the Church Funds Investment Measure 1958.

Manager responsibilities

The Manager is required to carry out these duties in accordance with the Church Funds Investment Measure 1958 and take reasonable steps for the prevention and detection of fraud and other irregularities.

CBF Funds Trustee Limited
(Charity Registration No. 1116932)

DIRECTORY

Trustee Directors

A Brookes (Chair)
C Chan*
P Chandler
O Home
C Johnson
A Milligan*
M Orr*
D Rees* (resigned January 2026)
* *Members of the Audit Committee*

Manager and Registrar

CCLA Investment Management Limited
Registered Office Address:
One Angel Lane
London
EC4R 3AB
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk
Authorised and regulated by the Financial Conduct Authority

Transfer Agent

FNZ TA Services Limited
7th Floor, 2 Redman Place
London
E20 1JQ
Authorised and regulated by the Financial Conduct Authority

Administrator

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

Executive Directors of the Manager

P Hugh Smith (Chief Executive Officer)
E Sheldon (Chief Operating Officer)
(resigned on 2 February 2026)
A Robinson, MBE (Director Market Development)
(resigned on 2 February 2026)
W Mepham (appointed on 2 February 2026)
T Owen (appointed on 2 February 2026)

Non-Executive Directors of the Manager

R Horlick (Chair)
J Jesty
C Johnson (resigned on 2 February 2026)
A Roughead (resigned on 6 January 2026)
C West (resigned on 2 February 2026)
J Hobart (resigned on 2 February 2026)

Fund Managers

S Freeman
R Evans
J Tate

Company Secretary

M Mochalska
J Fox (retired 31 March 2025)

Chief Risk Officer

J-P Lim

Head of Sustainability

J Corah

Third Party Advisers

Banker

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

Custodian

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

Independent Auditor

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

ABOUT CCLA

CCLA was founded in 1958 with the launch of the Church of England Investment Fund, enabling churches to pool their assets and have them professionally managed. We started managing investments for local authorities in 1961, followed by charities in 1963.

In 1987, with the introduction of new financial regulation, those churches, charities and local authorities founded CCLA Investment Management Limited.

Today, CCLA is one of the UK's largest managers of charity, faith and public sector investments, providing pooled and bespoke portfolios, and championing responsible investment.

We know that charities and not-for-profit organisations measure success not in profits, but in lives improved and futures secured. At CCLA, we are honoured to stand alongside them – helping to manage their investments and invest with purpose – so that their impact endures across generations.



CCLA Investment Management Limited
One Angel Lane, London EC4R 3AB
T: 0800 022 3505 E: clientservices@ccla.co.uk
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 part of the Jupiter Group, and are authorised and regulated by the Financial Conduct Authority.
Registered address: One Angel Lane, London EC4R 3AB.

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