

COMPANY NO: 04466326

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# **CEDAR ROCK CAPITAL LIMITED**

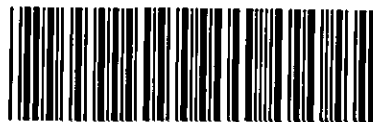
## **ANNUAL REPORT**

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**◆ Year ended 31 October 2007 ◆**

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# **CEDAR ROCK CAPITAL LIMITED**

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**COMPANY INFORMATION**

Directors	Joy-Isabelle Besse Andrew Brown David Miller
Secretary	David Miller
Registered office	20-22 Bedford Row London WC1R 4JS
Registered number	04466326
Auditor	Grant Thornton UK LLP Chartered Accountants and Registered Auditor 30 Finsbury Square London EC2P 2YU
Bankers	Coutts & Co 188 Fleet Street London EC4A 2HT

**REPORT OF THE DIRECTORS**

The directors present their report and audited consolidated financial statements for the year ended 31 October 2007

**Principal activities**

The principal activity of the group is the provision of investment management and advisory services

**Results and dividends**

The group profit for the year after tax and before dividends amounted to £5,442,889 (2006 £3,434,420) The company made a profit after tax and before dividend of £5,372,858 (2006 £3,313,105) During the year an interim dividend of £3,300,000 (2006 £2,500,000) was paid The directors do not propose to pay a final dividend (2006 £Nil)

During the year the company made charitable donations of £7,529 (2006 £7,926)

**Business review and future developments**

The company currently provides investment management advice for seventeen segregated accounts and Cedar Rock Capital Fund Plc, an Irish domiciled UCITS listed on the Irish Stock Exchange The company is also investment manager of Cedar Rock Capital Partners LLC, a Delaware limited liability company incorporated in the United States which is managed by Cedar Rock Capital LLC (the company's wholly-owned US subsidiary) The group had approximately \$5,054m in assets under management at 31 October 2007 (2006 \$3,728m)

The directors expect continued profitability during the forthcoming year

**Directors and their interests**

The directors and secretary of the company at 31 October 2007 are set out on page 1

At 31 October 2007 Mr Andrew Brown owned 500,000 "A" ordinary shares of £1 each (2006 500,000)

During the year, rights to subscribe for shares in the company have not been granted to, or exercised by, any director or member of his immediate family

**REPORT OF THE DIRECTORS**

(Continued)

**Directors' responsibilities**

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

At the time the Directors' Report is approved, and so far as each director is aware

- there is no relevant audit information of which the auditors are unaware, and
- they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

RSM Robson Rhodes LLP merged its audit practice with that of Grant Thornton UK LLP with effect from 2 July 2007, with the successor firm being Grant Thornton UK LLP. RSM Robson Rhodes LLP has resigned as auditors on 31 July 2007 creating a casual vacancy which the directors have filled by appointing Grant Thornton UK LLP. A resolution to reappoint Grant Thornton UK LLP will be proposed at the forthcoming annual general meeting.

**Provision of relevant information to the auditors**

The directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

The report of the directors was approved by the Board on 8 January 2008 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'David Miller', is written over a circular stamp or seal.

David Miller  
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
CEDAR ROCK CAPITAL LIMITED**

We have audited the group and parent company financial statements (the "financial statements") of Cedar Rock Capital Limited for the year ended 31 October 2007 which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 October 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
London, England

8 January 2008



**CONSOLIDATED PROFIT AND LOSS ACCOUNT****For the year ended 31 October 2007**

	<b>Note</b>	<b>Group Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>
<b>Turnover</b>	2	21,157,520	17,246,938
Administrative expenses		<u>(13,704,638)</u>	<u>(12,569,104)</u>
<b>Operating profit</b>	4	7,452,882	4,677,834
Interest receivable		458,737	259,138
Interest payable		<u>(11,721)</u>	<u>(6,096)</u>
		447,016	253,042
<b>Profit on ordinary activities before taxation and dividends</b>		7,899,898	4,930,876
Taxation	7	<u>(2,457,009)</u>	<u>(1,496,456)</u>
<b>Profit on ordinary activities after taxation but before dividends</b>		<u>5,442,889</u>	<u>3,434,420</u>

All of the group's operations are continuing

The group had no recognised gains or losses other than the profit for the financial period

The notes on pages 10 to 18 form part of these financial statements

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**CEDAR ROCK CAPITAL LIMITED****CONSOLIDATED AND GROUP BALANCE SHEETS**  
at 31 October 2007

	Note	Group 31 October 2007 £	Company 31 October 2007 £	Group 31 October 2006 £	Company 31 October 2006 £
<b>Fixed assets</b>					
Tangible assets	9	229,526	227,907	23,321	22,366
Investments	10	481	481	524	524
		230,007	228,388	23,845	22,890
<b>Current assets</b>					
Debtors	11	2,980,625	2,975,249	3,146,374	3,143,613
Cash at bank and in hand		15,294,723	15,274,604	11,560,260	11,550,795
		18,275,348	18,249,853	14,706,634	14,694,408
<b>Creditors: Amounts falling due within one year</b>	12	(13,070,593)	(13,372,774)	(11,440,594)	(11,686,677)
<b>Net current assets</b>		5,204,755	4,877,079	3,266,040	3,007,731
<b>Total assets less current liabilities</b>		5,434,762	5,105,467	3,289,885	3,030,621
Provisions for liabilities and charges	13	337	337	2,325	2,325
<b>Net assets</b>		5,435,099	5,105,804	3,292,210	3,032,946
<b>Capital and reserves</b>					
Called up share capital	14	500,000	500,000	500,000	500,000
Capital redemption reserve	15	23,437	23,437	23,437	23,437
Profit and loss account	15	4,911,662	4,582,367	2,768,773	2,509,509
<b>Equity shareholders' funds</b>	16	5,435,099	5,105,804	3,292,210	3,032,946

The consolidated financial statements were approved by the Board on 8 January 2008 and signed on its behalf by



Andrew Brown  
Director

The notes on pages 10 to 18 form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 31 October 2007**

	Note	Group Year ended 31 October 2007 £	Group Year ended 31 October 2006 £
<b>Net cash inflow from operating activities</b>	17	8,624,305	8,234,819
<b>Returns on investment and servicing of finance</b>			
Interest received		438,018	228,346
Interest paid		(11,721)	(6,096)
		<u>426,297</u>	<u>222,250</u>
<b>Taxation paid</b>		(1,702,174)	(1,226,269)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(250,247)	(4,482)
<b>Dividends paid</b>	8	(3,300,000)	(2,500,000)
<b>Management of liquid resources</b>			
Money market deposit		(4,300,000)	(5,450,000)
		<u>                    </u>	<u>                    </u>
<b>Decrease in cash</b>	18	<u>(501,819)</u>	<u>(723,682)</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Decrease in cash in the period (as above)		(501,819)	(723,682)
Cash outflow from increase in liquid resources		<u>4,300,000</u>	<u>5,450,000</u>
Change in net funds resulting from cash flows		3,798,181	4,726,318
Foreign exchange differences		<u>(63,718)</u>	<u>(206,705)</u>
Movement in net funds in the period		3,734,463	4,519,613
Net funds at 1 November 2006		<u>11,560,260</u>	<u>7,040,647</u>
Net funds at 31 October 2007	18	<u>15,294,723</u>	<u>11,560,260</u>

The notes on pages 10 to 18 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2007**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. As permitted by section 230 of the Companies Act 1985, the profit and loss account of the company has not been separately presented in the financial statements.

**Basis of consolidation**

The group accounts consolidate the accounts of the company and its subsidiary undertaking at 31 October 2007. The accounts of the overseas subsidiary are translated into pounds sterling at the closing rate of exchange.

**Liquid resources**

Liquid resources in the cash flow statement represent term deposits not recoverable within 24 hours.

**Turnover**

Turnover comprises monthly management fees that are recognised when earned by the group at the end of each month, and are stated net of Value Added Tax.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 October 2007. Exchange differences are taken to the profit and loss account.

**Depreciation**

Depreciation is provided on a straight line basis to allocate the cost, less estimated residual value, of the tangible fixed assets over their estimated useful lives -

Office Equipment	-	3 years
Furniture & Fixtures	-	3 years
Computer Equipment	-	3 years
Leasehold Improvements	-	5 years

Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit.

**Leased assets**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the leases.

**Taxation**

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

**2. TURNOVER**

The turnover for the period is solely attributable to management fees arising from the group's investment management of seventeen managed accounts, an Irish domiciled UCITS and a Delaware limited liability company. In the opinion of the directors, the company has supplied markets that do not differ substantially from each other.

**3. PRINCIPAL SUBSIDIARY**

The company is the sole member in Cedar Rock Capital LLC, a Delaware limited liability company incorporated in the United States.

Cedar Rock Capital LLC is the company's principal wholly owned subsidiary included in the consolidation.

Cedar Rock Capital LLC manages Cedar Rock Capital Partners LLC, another Delaware limited liability company incorporated in the United States, from which the company receives an investment management fee for providing investment management advice.

For the year ended 31 October 2007, Cedar Rock Capital LLC made a profit after tax of equivalent £36,585 (2006 £132,613).

**4. OPERATING PROFIT**

	<b>Group Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>
The operating profit is stated after charging		
Auditors' remuneration -		
Fees payable to the Company's auditor for the audit of the annual financial statements	11,500	11,085
Fees payable to the Company's auditor and its associates for other services		
– other services pursuant to legislation – regulatory reporting	1,000	1,000
– other services relating to taxation	5,019	5,562
Operating lease rentals – property	168,695	58,213
Depreciation	44,042	24,629
Foreign exchange losses	63,718	206,705

**5. DIRECTORS' REMUNERATION**

	<b>Group Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>
Directors' emoluments for the period were		
Emoluments	6,417,000	4,002,800

The highest paid director received earnings of £6,417,000 (2006 £4,002,800).

**6. STAFF COSTS (INCLUDING DIRECTORS)**

	<b>Group Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>
Wages and Salaries	10,664,325	10,011,521
Social Security Costs	1,295,753	1,112,475
Pension Costs	21,524	-
	<u>11,981,602</u>	<u>11,123,996</u>

Prior to the year end a bonus of £9,299,982 (2006 £8,065,096) was accrued but not allocated to directors and employees of the company

The average monthly number of employees and directors for the Group was as follows

Office and management	<u>8</u>	<u>8</u>
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**7. TAXATION**

	<b>Group Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>
UK corporation tax at 30%	2,321,513	1,433,705
Overseas taxation	140,751	66,253
Overprovision in respect of prior year	<u>(7,243)</u>	<u>-</u>
Tax charge in respect of the current year	2,455,021	1,499,958
Deferred tax	<u>1,988</u>	<u>(3,502)</u>
	<u>2,457,009</u>	<u>1,496,456</u>

The current taxation charge for the year is different from the standard rate of corporation tax in the UK (30%) The differences are explained below

	<b>Group Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>
Profit on ordinary activities before taxation	<u>7,899,898</u>	<u>4,930,876</u>
Theoretical tax at UK corporation tax rate of 30%	2,369,969	1,479,263
Effects of		
- subsidiary profits taxed at different rate	77,531	6,594
- depreciation in excess of capital allowances	3,749	3,502
- other expenditure which is not tax deductible	11,016	10,599
- prior year adjustment	<u>(7,243)</u>	<u>-</u>
Actual current tax charge	<u>2,455,022</u>	<u>1,499,958</u>

## 8. DIVIDENDS

	Group Year ended 31 October 2007 £	Group Year ended 31 October 2006 £
"A" ordinary – interim paid £4 25 (2006 £3 23)	2,123,112	1,614,779
"B" ordinary – interim paid £4 25 (2006 £3 23)	1,176,888	885,221
	<u>3,300,000</u>	<u>2,500,000</u>

9. FIXED ASSETS  
Group

	Furniture & Fixtures	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	£	£	£	£	£
Cost					
At 1 November 2006	49,895	12,892	50,157	-	112,944
Additions	38,367	4,135	16,835	190,910	250,247
At 31 October 2007	88,262	17,027	66,992	190,910	363,191
Depreciation					
At 1 November 2006	42,724	11,143	35,756	-	89,623
Charge for year	11,341	1,728	11,224	19,749	44,042
At 31 October 2007	54,065	12,871	46,980	19,749	133,665
Net Book Value					
At 31 October 2006	7,171	1,749	14,401	-	23,321
At 31 October 2007	34,197	4,156	20,012	171,161	229,526

## Company

	Furniture & Fixtures	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	£	£	£		£
Cost					
At 1 November 2006	47,612	12,718	45,942	-	106,272
Additions	38,553	4,149	15,356	190,910	248,968
At 31 October 2007	86,165	16,867	61,298	190,910	355,240
Depreciation					
At 1 November 2006	40,722	10,969	32,215	-	83,906
Charge for year	11,347	1,742	10,589	19,749	43,427
At 31 October 2007	52,069	12,711	42,804	19,749	127,333
Net Book Value					
At 31 October 2006	6,890	1,749	13,727	-	22,366
At 31 October 2007	34,096	4,156	18,494	171,161	227,907

# **CEDAR ROCK CAPITAL LIMITED**

## **10. INVESTMENTS**

	<b>Group 31 October 2007 £</b>	<b>Company 31 October 2007 £</b>	<b>Group 31 October 2006 £</b>	<b>Company 31 October 2006 £</b>
Shares in group undertaking (note 3)	-	481	-	524
Investment in Cedar Rock Capital Partners LLC	481	-	524	-
	<u>481</u>	<u>481</u>	<u>524</u>	<u>524</u>

## **11. DEBTORS**

	<b>Group 31 October 2007 £</b>	<b>Company 31 October 2007 £</b>	<b>Group 31 October 2006 £</b>	<b>Company 31 October 2006 £</b>
Trade debtors	2,295,388	2,295,388	2,571,805	2,571,805
Other debtors	24,300	23,210	1,256	70
Prepayments and accrued income	660,937	656,651	534,158	532,583
Amounts falling due within one year	2,980,625	2,975,249	3,107,219	3,104,458
Amounts falling due after more than one year	-	-	39,155	39,155
Rent deposit	-	-	-	-
	<u>2,980,625</u>	<u>2,975,249</u>	<u>3,146,374</u>	<u>3,143,613</u>

## **12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 31 October 2007 £</b>	<b>Company 31 October 2007 £</b>	<b>Group 31 October 2006 £</b>	<b>Company 31 October 2006 £</b>
Trade creditors	39,582	39,582	15,158	15,158
Amounts owed to group undertakings	-	1,041,584	-	1,619,413
Corporation tax payable	1,486,243	1,486,243	733,439	733,439
Other taxes and social security	1,465,196	1,465,196	1,151,606	1,151,606
Other creditors	62,127	62,127	1,974	1,974
Accruals and deferred income	10,017,445	9,278,042	9,538,417	8,165,087
	<u>13,070,593</u>	<u>13,372,774</u>	<u>11,440,594</u>	<u>11,686,677</u>



**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Group 31 October 2007 £</b>	<b>Company 31 October 2007 £</b>	<b>Group 31 October 2006 £</b>	<b>Company 31 October 2006 £</b>
Deferred tax provided - Accelerated capital allowances	(2,325)	(2,325)	1,177	1,177

The movement in the provision is as follows

At start of year	(2,325)	(2,325)	1,177	1,177
Charge to the profit and loss account	1,988	1,988	(3,502)	(3,502)
At end of year	(337)	(337)	(2,325)	(2,325)

Deferred tax has been provided at 28% (2006 30%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse

**14. CALLED UP SHARE CAPITAL**

<b>Group and Company</b>	<b>31 October 2007 £</b>	<b>31 October 2006 £</b>
<b>Authorised -</b>		
600,000 "A" ordinary shares of £1 each	600,000	600,000
400,000 "B" ordinary shares of £1 each	400,000	400,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted -</b>		
500,000 "A" ordinary shares of £1 each	500,000	500,000
277,161 "B" ordinary shares of £1 each	277,161	277,161
	<u>777,161</u>	<u>777,161</u>
<b>Called up and fully paid -</b>		
500,000 "A" ordinary shares of £1 each	500,000	500,000

The "B" ordinary shares rank pari passu with the "A" ordinary shares for dividends but they do not carry any voting power

**15. RESERVES**

<b>Group</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
At 1 November 2006	23,437	2,768,773
Retained profit for the period	-	2,142,889
At 31 October 2007	<u>23,437</u>	<u>4,911,662</u>

<b>Company</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
At 1 November 2006	23,437	2,509,509
Retained profit for the period	-	2,072,858
At 31 October 2007	<u>23,437</u>	<u>4,582,367</u>

**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>Group Year ended 31 October 2007 £</b>	<b>Company Year ended 31 October 2007 £</b>	<b>Group Year ended 31 October 2006 £</b>	<b>Company Year ended 31 October 2006 £</b>
At 1 November 2006	3,292,210	3,032,946	2,357,790	2,219,841
Profit for the year after taxation	5,442,889	5,372,858	3,434,420	3,313,105
Dividends	(3,300,000)	(3,300,000)	(2,500,000)	(2,500,000)
Closing shareholders' funds	<u>5,435,099</u>	<u>5,105,804</u>	<u>3,292,210</u>	<u>3,032,946</u>

# 17. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group Year ended 31 October 2007 £	Group Year ended 31 October 2006 £
Operating profit	7,452,882	4,677,834
Depreciation	44,042	24,629
Decrease/(increase) in debtors	186,468	(1,001,088)
Increase in creditors	877,195	4,326,739
Foreign exchange differences	63,718	206,705
<b>Net cash inflow from operating activities</b>	<b>8,624,305</b>	<b>8,234,819</b>

# 18. ANALYSIS OF NET FUNDS

Group	At 1 November 2006 £	Cash Inflow/ (outflow) £	Non cash Movement £	At 31 October 2007 £
<b>Net cash</b>				
Cash at bank and in hand	11,560,260	3,798,181	(63,718)	15,294,723
Less deposits treated as Liquid resources	(9,700,000)	(4,300,000)	-	(14,000,000)
	1,860,260	(501,819)	(63,718)	1,294,723
<b>Liquid resources</b>				
Deposits included in cash	9,700,000	4,300,000	-	14,000,000
<b>Net funds</b>	<b>11,560,260</b>	<b>3,798,181</b>	<b>(63,718)</b>	<b>15,294,723</b>

# 19. CONTROL

Mr Andrew Brown is the controlling party of the company

# 20. FINANCIAL COMMITMENTS – OPERATING LEASES

The payments that the company is committed to make in the next year under operating leases are as follows

	31 October 2007 £	31 October 2006 £
Land and Buildings leases expiring Between 2 and 5 years	246,000	64,141

**21. RELATED PARTY TRANSACTIONS**

Mr Andrew Brown is a member of Cedar Rock Capital Partners LLC, a Delaware limited liability company incorporated in the United States, from which the company earned investment management fees of \$16,285,442 (2006 \$11,206,753) during the year. As at 31 October 2007 Mr Andrew Brown's interest in the LLC amounted to \$15,250,264 (2006 \$7,731,123) (total net asset value of the LLC \$2,051,450,710 (2006 \$1,308,896,468)). At 31 October 2007 Cedar Rock Capital Partners LLC owed the company \$1,698,242 (2006 \$1,085,204) in investment management fees.

Ms Joy-Isabelle Besse is a director of Cedar Rock Capital Fund Plc from which the company earned investment management fees of £3,518,144 (2006 £2,805,689). At 31 October 2007 Cedar Rock Capital Fund Plc owed the company £602,838 (2006 £268,810) in investment management fees.

During the year there have been expenses of £682,500 (2006 £600,000) for professional services rendered to the company by Meteora Partners LLP, of which Ms Joy-Isabelle Besse and Mr David Miller are designated members. At 31 October 2007, £Nil (2006 £58,750) was due to be paid to Meteora Partners LLP.