

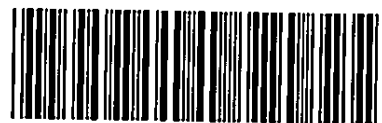
COMPANY NO: 04466326

CEDAR ROCK CAPITAL LIMITED

ANNUAL REPORT

◆ *Year ended 31 October 2008* ◆

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CEDAR ROCK CAPITAL LIMITED

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CEDAR ROCK CAPITAL LIMITED

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 2008.

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 £4,400,074 (2007: £5,442,889). The company made a profit after tax and before dividend of £4,693,388 (2007: £5,372,858). During the year an interim dividend of £4,405,325 (2007: £3,300,000) was paid. The directors do not propose to pay a final dividend (2007: £Nil).

During the year the company made charitable donations of £7,575 (2007: £7,529).

Business review and future developments

The company currently provides investment management advice for fifteen 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 \$3,281m in assets under management at 31 October 2008 (2007: \$5,054m).

As an investment management business, the company is exposed to the risks and uncertainties of the financial markets. Subject to these, the directors expect continued profitability during the forthcoming year.

Directors and their interests

The directors and secretary of the company at 31 October 2008 are set out on page 1.

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.

Disclosure of information to auditors

In accordance with Section 234ZA, Companies Act 1985 it is stated by each of the directors who held office at the date of approval of this Directors' Report that, so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. This statement is made subject to all the provisions of Section 234ZA.

REPORT OF THE DIRECTORS

(Continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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 confirm that they have complied with the above requirements in preparing the financial statements.

Auditors

Grant Thornton UK LLP have indicated their willingness to continue in office as auditor. A resolution concerning their reappointment will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 23 December 2008 and was signed on its behalf by:



David Miller
Secretary

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF
CEDAR ROCK CAPITAL LIMITED**

We have audited the financial statements of Cedar Rock Capital Limited for the year ended 31 October 2008 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, consolidated cash flow statement and notes 1 to 22. 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 Directors' Report and 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CEDAR ROCK CAPITAL LIMITED
(Continued)**

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 2008 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
Chartered Accountants and Registered Auditor
London, England

23 December 2008

CEDAR ROCK CAPITAL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 October 2008

	Note	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
Turnover	2	22,548,817	21,157,520
Administrative expenses		<u>(16,767,312)</u>	<u>(13,704,638)</u>
Operating profit	4	5,781,505	7,452,882
Gain on current asset investment		142,261	-
Interest receivable		393,867	458,737
Interest payable		<u>-</u>	<u>(11,721)</u>
		536,128	447,016
Profit on ordinary activities before taxation and dividends		6,317,633	7,899,898
Taxation	7	<u>(1,917,559)</u>	<u>(2,457,009)</u>
Profit on ordinary activities after taxation but before dividends		<u>4,400,074</u>	<u>5,442,889</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 9 to 18 form part of these financial statements.

CEDAR ROCK CAPITAL LIMITED

CONSOLIDATED AND COMPANY BALANCE SHEETS at 31 October 2008

	Note	Group 31 October 2008 £	Company 31 October 2008 £	Group 31 October 2007 £	Company 31 October 2007 £
Fixed assets					
Tangible assets	9	180,856	180,856	229,526	227,907
Investments	10	6,190	619	481	481
		187,046	181,475	230,007	228,388
Current assets					
Investments	11	14,481,064	14,481,064	-	-
Debtors	12	2,494,954	2,493,412	2,980,625	2,975,249
Cash at bank and in hand		2,985,609	2,975,933	15,294,723	15,274,604
		19,961,627	19,950,409	18,275,348	18,249,853
Creditors: Amounts falling due within one year	13	(15,602,077)	(15,621,269)	(13,070,593)	(13,372,774)
Net current assets		4,359,550	4,329,140	5,204,755	4,877,079
Total assets less current liabilities		4,546,596	4,510,615	5,434,762	5,105,467
Provisions for liabilities and charges	14	(4,263)	(4,263)	337	337
Net assets		4,542,333	4,506,352	5,435,099	5,105,804
Capital and reserves					
Called up share capital	15	670,666	670,666	500,000	500,000
Capital redemption reserve	16	140,624	140,624	23,437	23,437
Share premium account	16	223,845	223,845	-	-
Profit and loss account	16	3,507,198	3,471,217	4,911,662	4,582,367
Equity shareholders' funds	17	4,542,333	4,506,352	5,435,099	5,105,804

The consolidated financial statements were approved by the Board on 23 December 2008 and signed on its behalf by:



Andrew Brown
Director

The notes on pages 9 to 18 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2008

	Note	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
Net cash inflow from operating activities	18	9,050,829	8,624,305
Returns on investment and servicing of finance			
Interest received		464,116	438,018
Interest paid		-	(11,721)
		<u>464,116</u>	<u>426,297</u>
Taxation paid		(2,490,199)	(1,702,174)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(26,084)	(250,247)
Purchase of current asset investments		(14,338,803)	-
		<u>(14,364,887)</u>	<u>(250,247)</u>
Dividends paid	8	(4,405,325)	(3,300,000)
Management of liquid resources			
Money market deposit		14,000,000	(4,300,000)
Financing			
Call on existing "B" ordinary shares		255,408	-
Issue of "B" ordinary shares		139,103	-
Repurchase & cancellation of "B" ordinary shares		(1,282,026)	-
		<u>(887,515)</u>	<u>-</u>
Increase/(decrease) in cash	19	<u>1,367,019</u>	<u>(501,819)</u>
Reconciliation of net cash flow to movement in net funds:			
Increase/(decrease) in cash in the period (as above)		1,367,019	(501,819)
Cash (inflow)/outflow from increase in liquid resources		<u>(14,000,000)</u>	<u>4,300,000</u>
Change in net funds resulting from cash flows		(12,632,981)	3,798,181
Foreign exchange differences		<u>321,657</u>	<u>(63,718)</u>
Movement in net funds in the period		(12,311,324)	3,734,463
Net funds at 1 November 2007		<u>15,294,723</u>	<u>11,560,260</u>
Net funds at 31 October 2008	19	<u>2,983,399</u>	<u>15,294,723</u>

The notes on pages 9 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2008

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 2008. 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 2008. Exchange differences are taken to the profit and loss account.

Current asset investments

Current asset investments are detailed in note 11 of the financial statements. The investment has been revalued at 31 October 2008 and marked to market.

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 2008, Cedar Rock Capital LLC made a profit after tax and before dividends of equivalent £29,723 (2007: £36,585).

4. OPERATING PROFIT

	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
The operating profit is stated after charging:		
Auditors' remuneration -		
Fees payable to the Company's auditor for the audit of the annual financial statements	12,500	11,500
Fees payable to the Company's auditor and its associates for other services:		
– other services pursuant to legislation – regulatory reporting	-	1,000
– other services relating to taxation	9,415	5,019
Operating lease rentals – property	225,504	168,695
Depreciation	74,754	44,042
Foreign exchange (gains)/losses	<u>(321,657)</u>	<u>63,718</u>

5. DIRECTORS' REMUNERATION

	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
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Directors' emoluments for the period were:

Emoluments	<u>7,294,442</u>	<u>6,417,000</u>
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The highest paid director received earnings of £7,294,442 (2007: £6,417,000).

6. STAFF COSTS (INCLUDING DIRECTORS)

	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
Wages and Salaries	13,412,353	10,664,325
Social Security Costs	1,702,186	1,295,753
Pension Costs	<u>22,587</u>	<u>21,524</u>
	<u>15,137,126</u>	<u>11,981,602</u>

Prior to the year end a bonus of £12,718,877 (2007: £9,299,982) 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

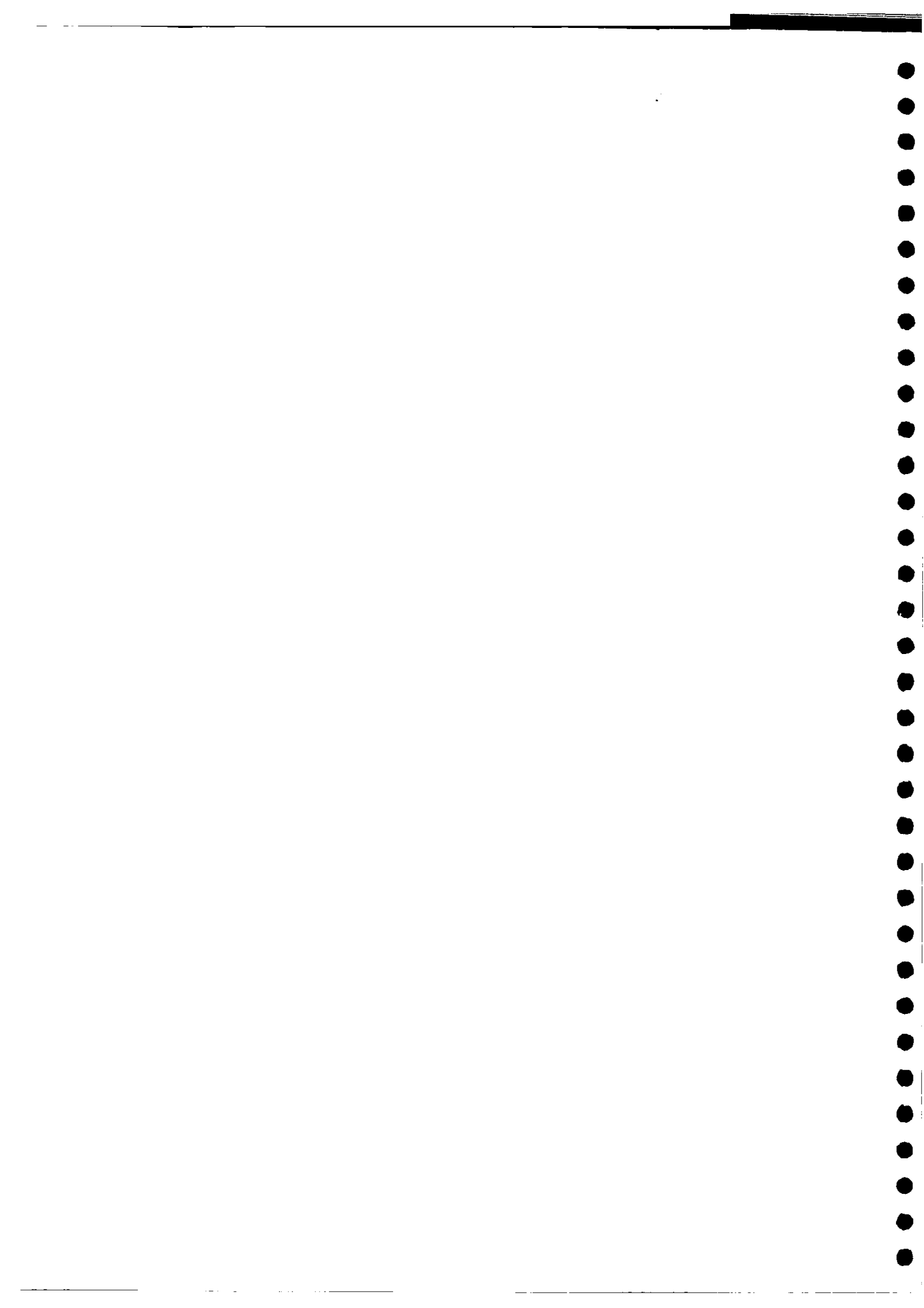
	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
UK corporation tax at 28.83% (2007: 30%)	1,847,491	2,321,513
Overseas taxation	78,070	140,751
Overprovision in respect of prior year	(12,602)	(7,243)
Tax charge in respect of the current year	1,912,959	2,455,021
Deferred tax	4,600	1,988
	<u>1,917,559</u>	<u>2,457,009</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.

	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
Profit on ordinary activities before taxation	<u>6,317,633</u>	<u>7,899,898</u>
Theoretical tax at UK corporation tax rate of 28.83% (2007: 30%)	1,821,374	2,369,969
Effects of:		
- subsidiary profits taxed at different rate	17,900	77,531
- depreciation in excess of capital allowances	9,657	3,749
- other expenditure which is not tax deductible	5,707	11,016
- prior year adjustment	(12,602)	(7,243)
- intercompany dividends	142,799	-
- relief on foreign tax paid	(71,876)	-
Actual current tax charge	<u>1,912,959</u>	<u>2,455,022</u>

8. DIVIDENDS

	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
"A" ordinary – interim paid £5.93 (2007: £4.25)	2,962,900	2,123,112
"B" ordinary – interim paid £5.93 (2007: £4.25)	1,304,423	1,176,888
"C" ordinary – interim paid £3.22 (2007: £nil)	138,002	-
	<u>4,405,325</u>	<u>3,300,000</u>



9. **FIXED ASSETS**
Group

	Furniture & Fixtures	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	£	£	£	£	£
Cost:					
At 1 November 2007	88,262	17,027	66,992	190,910	363,191
Additions	7,037	1,275	5,946	11,826	26,084
At 31 October 2008	95,299	18,302	72,938	202,736	389,275
Depreciation:					
At 1 November 2007	54,065	12,871	46,980	19,749	133,665
Charge for year	16,532	2,133	14,347	41,742	74,754
At 31 October 2008	70,597	15,004	61,327	61,491	208,419
Net Book Value:					
At 31 October 2007	34,197	4,156	20,012	171,161	229,526
At 31 October 2008	24,702	3,298	11,611	141,245	180,856

Company

	Furniture & Fixtures	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	£	£	£		£
Cost:					
At 1 November 2007	86,165	16,867	61,298	190,910	355,240
Additions	6,437	1,229	4,320	11,826	23,812
At 31 October 2008	92,602	18,096	65,618	202,736	379,052
Depreciation:					
At 1 November 2007	52,069	12,711	42,804	19,749	127,333
Charge for year	15,831	2,087	11,203	41,742	70,863
At 31 October 2008	67,900	14,798	54,007	61,491	198,196
Net Book Value:					
At 31 October 2007	34,096	4,156	18,494	171,161	227,907
At 31 October 2008	24,702	3,298	11,611	141,245	180,856

10. **INVESTMENTS**

	Group 31 October 2008 £	Company 31 October 2008 £	Group 31 October 2007 £	Company 31 October 2007 £
Shares in group undertaking (note 3)	-	619	-	481
Investment in Cedar Rock Capital Partners LLC	6,190	-	481	-
	6,190	619	481	481

CEDAR ROCK CAPITAL LIMITED**11. CURRENT ASSET INVESTMENTS**

	Group 31 October 2008 £	Company 31 October 2008 £	Group 31 October 2007 £	Company 31 October 2007 £
UK Gilt Treasury Stock	14,481,064	14,481,064	-	-

12. DEBTORS

	Group 31 October 2008 £	Company 31 October 2008 £	Group 31 October 2007 £	Company 31 October 2007 £
Trade debtors	2,060,811	2,060,811	2,295,388	2,295,388
Other debtors	637	637	24,300	23,210
Prepayments and accrued income	433,506	431,964	660,937	656,651
	<u>2,494,954</u>	<u>2,493,412</u>	<u>2,980,625</u>	<u>2,975,249</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 October 2008 £	Company 31 October 2008 £	Group 31 October 2007 £	Company 31 October 2007 £
Trade creditors	57,552	53,374	39,582	39,582
Overdraft	2,210	2,210	-	-
Amounts owed to group undertakings	-	54,845	-	1,041,584
Corporation tax payable	914,714	914,714	1,486,243	1,486,243
Other taxes and social security	1,711,751	1,711,751	1,465,196	1,465,196
Other creditors	29,351	29,351	62,127	62,127
Accruals and deferred income	12,886,499	12,855,024	10,017,445	9,278,042
	<u>15,602,077</u>	<u>15,621,269</u>	<u>13,070,593</u>	<u>13,372,774</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Group 31 October 2008 £	Company 31 October 2008 £	Group 31 October 2007 £	Company 31 October 2007 £
Deferred tax provided:				
- Accelerated capital allowances	4,263	4,263	(2,325)	(2,325)

The movement in the provision is as follows:

At start of year	(337)	(337)	(2,325)	(2,325)
Charge to the profit and loss account	4,600	4,600	1,988	1,988
At end of year	4,263	4,263	(337)	(337)

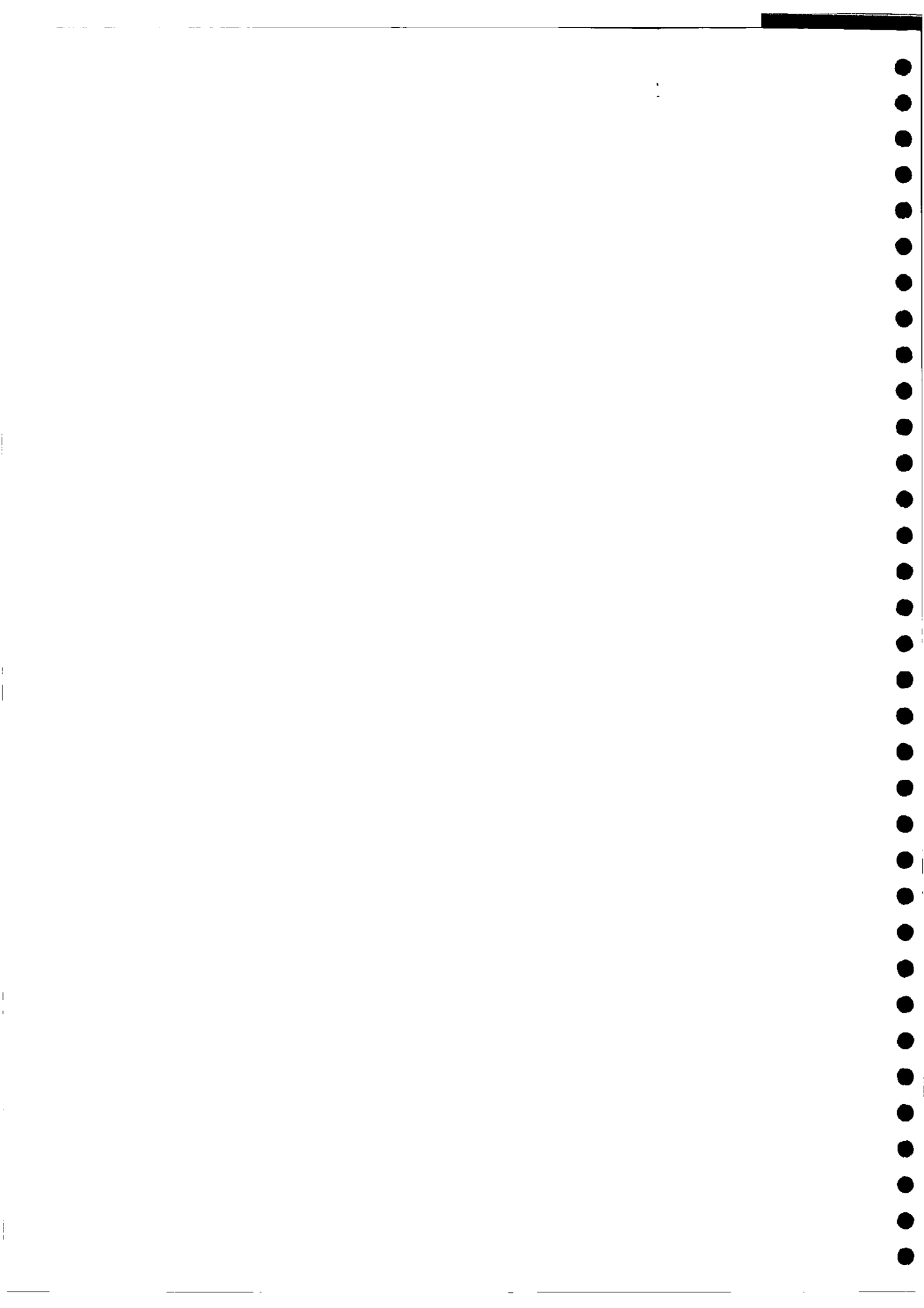
Deferred tax has been provided at 28% (2007: 28%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

15. CALLED UP SHARE CAPITAL

Group and Company	31 October 2008 £	31 October 2007 £
Authorised -		
600,000 "A" ordinary shares of £1 each	600,000	600,000
400,000 "B" ordinary shares of £1 each	400,000	400,000
400,000 "C" ordinary shares of £1 each	400,000	-
	<u>1,400,000</u>	<u>1,000,000</u>
Allotted -		
500,000 "A" ordinary shares of £1 each	500,000	500,000
170,666 "B" ordinary shares of £1 each	170,666	277,161
42,809 "C" ordinary shares of £1 each	42,809	-
	<u>713,475</u>	<u>777,161</u>
Called up and fully paid -		
500,000 "A" ordinary shares of £1 each	500,000	500,000
170,666 "B" ordinary shares of £1 each	170,666	-
	<u>670,666</u>	<u>500,000</u>

On 14 February 2008, the company purchased and cancelled 117,187 £1 "B" ordinary shares, representing 42% of the issued "B" share capital, for a total net consideration of £1,282,026 or £10.94 per "B" ordinary share.

During the year the company made a call for payment of the amounts unpaid on the 159,974 "B" ordinary shares previously allotted for a total consideration of £255,408.



CEDAR ROCK CAPITAL LIMITED

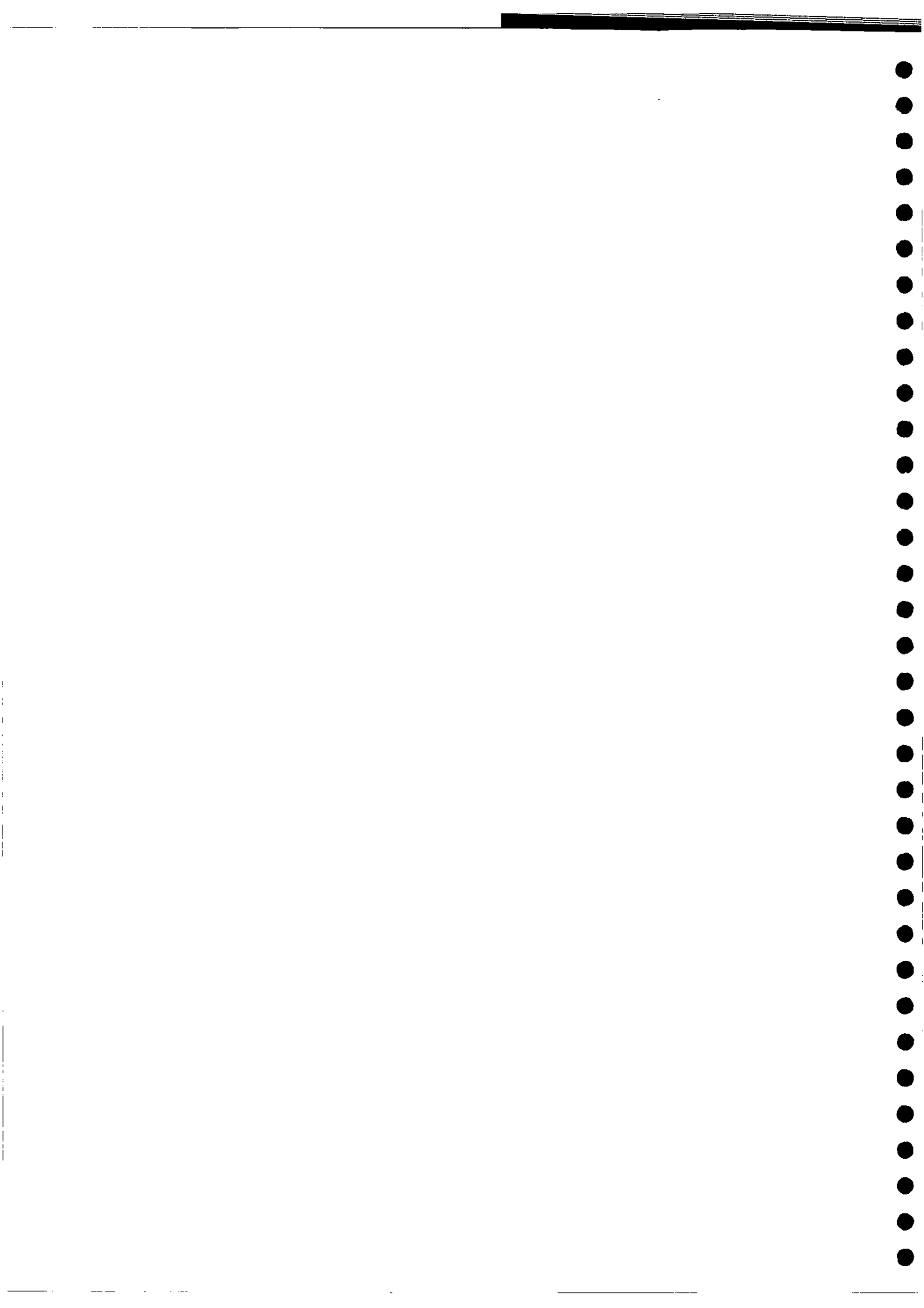
On 7 May 2008, the company issued 10,692 £1 "B" ordinary shares for a total consideration of £139,103 or £13.01 per "B" ordinary share, and 42,809 £1 "C" ordinary shares which remain unpaid.

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

16. RESERVES

Group	Capital redemption reserve £	Profit and loss account £	Share premium account £
At 1 November 2007	23,437	4,911,662	-
Profit for the year after taxation	-	4,400,074	-
Call on existing "B" ordinary shares	-	-	95,434
Issue of new "B" ordinary shares	-	-	128,411
Purchase and cancellation of "B" ordinary shares	117,187	(1,399,213)	-
Dividends	-	(4,405,325)	-
At 31 October 2008	<u>140,624</u>	<u>3,507,198</u>	<u>223,845</u>

Company	Capital redemption reserve £	Profit and loss account £	Share premium account £
At 1 November 2007	23,437	4,582,367	-
Profit for the year after taxation	-	4,693,388	-
Call on existing "B" ordinary shares	-	-	95,434
Issue of new "B" ordinary shares	-	-	128,411
Purchase and cancellation of "B" ordinary shares	117,187	(1,399,213)	-
Dividends	-	(4,405,325)	-
At 31 October 2008	<u>140,624</u>	<u>3,471,217</u>	<u>223,845</u>

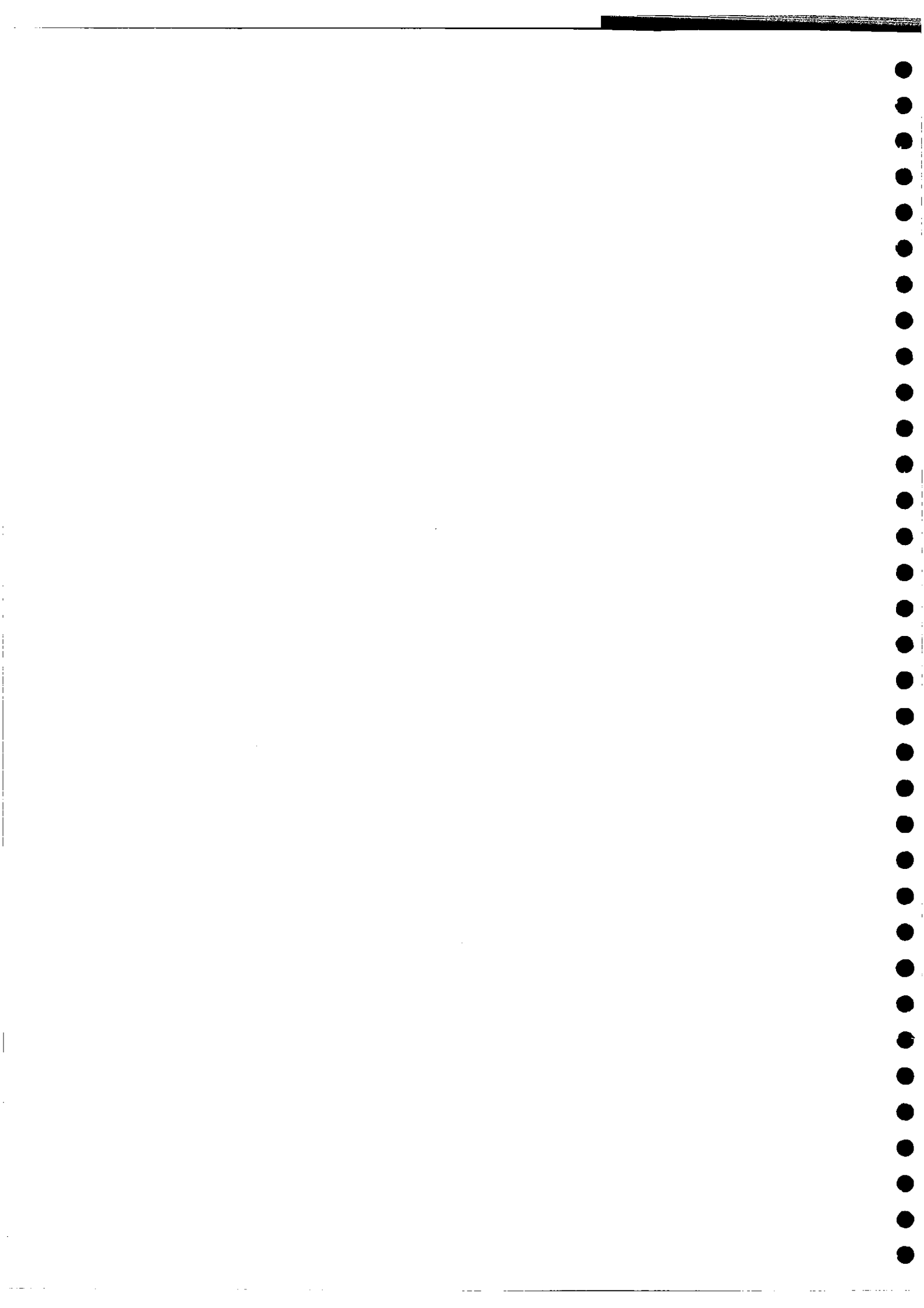


17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group Year ended 31 October 2008 £	Company Year ended 31 October 2008 £	Group Year ended 31 October 2007 £	Company Year ended 31 October 2007 £
At 1 November 2007	5,435,099	5,105,804	3,292,210	3,032,946
Profit for the year after taxation	4,400,074	4,693,388	5,442,889	5,372,858
Call on existing "B" ordinary shares	255,408	255,408	-	-
Issue of new "B" ordinary shares	139,103	139,103	-	-
Addition to capital redemption reserve	117,187	117,187	-	-
Purchase and cancellation of "B" ordinary shares	(1,399,213)	(1,399,213)	-	-
Dividends	(4,405,325)	(4,405,325)	(3,300,000)	(3,300,000)
Closing shareholders' funds	4,542,333	4,506,352	5,435,099	5,105,804

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group Year ended 31 October 2008 £	Group Year ended 31 October 2007 £
Operating profit	5,781,505	7,452,882
Depreciation	74,754	44,042
Decrease in debtors	415,423	186,468
Increase in creditors	3,100,804	877,195
Foreign exchange differences	(321,657)	63,718
Net cash inflow from operating activities	9,050,829	8,624,305



19. ANALYSIS OF NET FUNDS

Group

	At 1 November 2007 £	Cash Inflow/ (outflow) £	Non cash Movement £	At 31 October 2008 £
Net cash				
Cash at bank and in hand	15,294,723	(12,630,771)	321,657	2,985,609
Overdraft	-	(2,210)	-	(2,210)
Less: deposits treated as liquid resources	(14,000,000)	14,000,000	-	-
	1,294,723	1,367,019	321,657	2,983,399
Liquid resources				
Deposits included in cash	14,000,000	(14,000,000)	-	-
Net funds	15,294,723	(12,632,981)	321,657	2,983,399

20. CONTROL

Mr Andrew Brown is the controlling party of the company.

21. 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 2008 £	31 October 2007 £
Land and Buildings: leases expiring: Between 2 and 5 years	246,000	246,000

22. 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 \$20,636,009 (2007: \$16,285,442) during the year. As at 31 October 2008 Mr Andrew Brown's interest in the LLC amounted to \$15,225,310 (2007: \$15,250,264) (total net asset value of the LLC \$1,687,073,953 (2007: \$2,051,450,710)). At 31 October 2008 Cedar Rock Capital Partners LLC owed the company \$1,394,364 (2007: \$1,698,242) 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 £3,459,831 (2007: £3,518,144). At 31 October 2008 Cedar Rock Capital Fund Plc owed the company £279,824 (2007: £602,838) in investment management fees.

During the year there have been expenses of £772,407 (2007: £682,500) 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, £100,000 (2007: £nil) was due to be paid to Meteora Partners LLP.

