

COMPANY NO: 04466326

CEDAR ROCK CAPITAL LIMITED

ANNUAL REPORT

◆ Year ended 31 October 2009 ◆



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 Statutory 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 2009.

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 £4,156,534 (2008: £4,400,074). The company made a profit after tax and before dividend of £4,157,238 (2008: £4,693,388). During the year an interim dividend of £5,300,000 (2008: £4,405,325) was paid. The directors do not propose to pay a final dividend (2008: £Nil).

During the year the company made charitable donations of £Nil (2008: £7,575).

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 \$4,258m in assets under management at 31 October 2009 (2008: \$3,281m).

On 6 July 2009, Cedar Rock Capital Management Limited ("CRCML") was incorporated under the Irish Companies Acts 1963 to 2006. CRCML acts as Manager to Cedar Rock Capital CCF, a single strategy common contractual fund constituted under the laws of Ireland. CRCML is a wholly owned subsidiary of the company.

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 2009 are set out on page 1.

Dividends paid to directors during the year amounted to £3,714,216.

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.

Financial instruments

The company is exposed to credit risk as evidenced by its trade debtor balances. The company has no material exposure to either liquidity risk or price risk.

The company attempts to mitigate its exposure to credit risk by regular monitoring of trade debtor balances by the credit control department to help ensure prompt payment.

REPORT OF THE DIRECTORS

(Continued)

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required to 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 then 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 adequate 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 2006. 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.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Pillar III disclosures

The Company has documented the disclosures required by the FSA under BIPRU 11.3. These are available from Companies House.

REPORT OF THE DIRECTORS
(Continued)

Auditor

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 18 December 2009 and was signed on its behalf by:



Joy-Isabelle Besse
Director

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

We have audited the financial statements of Cedar Rock Capital Limited for the year ended 31 October 2009 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

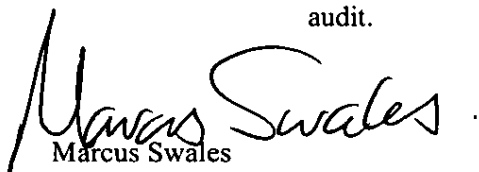
In our opinion the information given in the Report of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
CEDAR ROCK CAPITAL LIMITED
(Continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, England

18 December 2009

CEDAR ROCK CAPITAL LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT**For the year ended 31 October 2009**

	Note	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
Turnover	2	21,098,073	22,548,817
Administrative expenses		<u>(15,427,510)</u>	<u>(16,767,312)</u>
Operating profit	4	5,670,563	5,781,505
Gain on disposal of current asset investments		38,771	142,261
Interest receivable		<u>30,404</u>	<u>393,867</u>
		69,175	536,128
Profit on ordinary activities before taxation		5,739,738	6,317,633
Taxation	7	<u>(1,583,204)</u>	<u>(1,917,559)</u>
Profit on ordinary activities after taxation		<u>4,156,534</u>	<u>4,400,074</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 19 form part of these financial statements.

CEDAR ROCK CAPITAL LIMITED**CONSOLIDATED AND COMPANY BALANCE SHEETS**
at 31 October 2009

	Note	Group 31 October 2009 £	Company 31 October 2009 £	Group 31 October 2008 £	Company 31 October 2008 £
Fixed assets					
Tangible assets	9	119,451	119,451	180,856	180,856
Investments	10	5,462	112,534	6,190	619
		124,913	231,985	187,046	181,475
Current assets					
Investments	11	-	-	14,481,064	14,481,064
Debtors	12	3,112,107	3,127,805	2,494,954	2,493,412
Cash at bank and in hand		13,916,941	13,747,770	2,985,609	2,975,933
		17,029,048	16,875,575	19,961,627	19,950,409
Creditors: Amounts falling due within one year	13	(13,755,094)	(13,743,970)	(15,602,077)	(15,621,269)
Net current assets		3,273,954	3,131,605	4,359,550	4,329,140
Total assets less current liabilities		3,398,867	3,363,590	4,546,596	4,510,615
Provisions for liabilities and charges	14	-	-	(4,263)	(4,263)
Net assets		3,398,867	3,363,590	4,542,333	4,506,352
Capital and reserves					
Called up share capital	15	670,666	670,666	670,666	670,666
Capital redemption reserve	16	140,624	140,624	140,624	140,624
Share premium account	16	223,845	223,845	223,845	223,845
Profit and loss account	16	2,363,732	2,328,455	3,507,198	3,471,217
Equity shareholders' funds	17	3,398,867	3,363,590	4,542,333	4,506,352

The consolidated financial statements were approved by the Board on 18 December 2009 and signed on its behalf by:



Andrew Brown
Director

The notes on pages 10 to 19 form part of these financial statements.

CEDAR ROCK CAPITAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT**For the year ended 31 October 2009**

	Note	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
Net cash inflow from operating activities	18	3,360,850	9,050,829
Returns on investment and servicing of finance			
Interest received		31,440	464,116
Taxation paid		(1,686,098)	(2,490,199)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,556)	(26,084)
Purchase of current asset investments		(13,999,766)	(14,338,803)
Sale of current asset investments		28,519,600	-
		<u>14,514,278</u>	<u>(14,364,887)</u>
Dividends paid	8	(5,300,000)	(4,405,325)
Management of liquid resources			
Money market deposit		-	14,000,000
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>-</u>	<u>(887,515)</u>
Increase in cash	19	<u>10,920,470</u>	<u>1,367,019</u>
Reconciliation of net cash flow to movement in net funds:			
Increase in cash in the period (as above)		10,920,470	1,367,019
Cash inflow from decrease in liquid resources		<u>-</u>	<u>(14,000,000)</u>
Change in net funds resulting from cash flows		10,920,470	(12,632,981)
Foreign exchange differences		<u>11,824</u>	<u>321,657</u>
Movement in net funds in the period		10,932,294	(12,311,324)
Net funds at 1 November 2008		<u>2,983,399</u>	<u>15,294,723</u>
Net funds at 31 October 2009	19	<u>13,915,693</u>	<u>2,983,399</u>

The notes on pages 10 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2009

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 2006, the profit and loss account of the company has not been separately presented in the financial statements. The accounts have been prepared on a going concern basis.

Basis of consolidation

The group accounts consolidate the accounts of the company and its subsidiary undertaking at 31 October 2009. 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 2009. 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 2009, Cedar Rock Capital LLC made a profit after tax and before dividends of equivalent £Nil (2008: £29,723).

The company is the sole member of Cedar Rock Capital Management Limited, a limited company incorporated in Ireland.

Cedar Rock Capital Management Limited manages Cedar Rock Capital CCF, a single strategy common contractual fund constituted under the laws of Ireland, from which it receives an investment management fee for providing investment management advice.

For the period from 6 July 2009 (date of incorporation) to 31 October 2009, Cedar Rock Capital Management Limited made a profit after tax and before dividends of equivalent £Nil.

4. OPERATING PROFIT

	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
The operating profit is stated after charging:		
Auditors' remuneration -		
Fees payable to the Company's auditor for the audit of the annual financial statements	13,000	12,500
Fees payable to the Company's auditor and its associates for other services:		
– other services relating to taxation	8,858	9,415
Operating lease rentals – property	225,504	225,504
Depreciation	66,961	74,754
Foreign exchange gains	<u>(11,824)</u>	<u>(321,657)</u>

5. DIRECTORS' REMUNERATION

	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
Directors' emoluments for the period were:		
Emoluments	<u>9,405,000</u>	<u>7,294,442</u>

The highest paid director received earnings of £9,405,000 (2008: £7,294,442).

6. STAFF COSTS (INCLUDING DIRECTORS)

	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
Wages and Salaries	11,881,512	13,412,353
Social Security Costs	1,517,680	1,702,186
Pension Costs	<u>-</u>	<u>22,587</u>
	<u>13,399,192</u>	<u>15,137,126</u>

Prior to the year end a bonus of £11,144,698 (2008: £12,718,877) 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 2009 £	Group Year ended 31 October 2008 £
UK corporation tax at 28% (2008: 28.83%)	1,630,355	1,847,491
Overseas taxation	(32,984)	78,070
Overprovision in respect of prior year	<u>(7,806)</u>	<u>(12,602)</u>
Tax charge in respect of the current year	1,589,565	1,912,959
Deferred tax	<u>(6,361)</u>	<u>4,600</u>
	<u>1,583,204</u>	<u>1,917,559</u>

The current taxation charge for the year is different from the standard rate of corporation tax in the UK (28%). The differences are explained below.

	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
Profit on ordinary activities before taxation	<u>5,739,738</u>	<u>6,317,633</u>
Theoretical tax at UK corporation tax rate of 28% (2008: 28.83%)	1,607,127	1,821,374
Effects of:		
- subsidiary profits taxed at different rate	-	17,900
- depreciation in excess of capital allowances	11,477	9,657
- other expenditure which is not tax deductible	2,515	5,707
- prior year adjustment	(7,806)	(12,602)
- losses in subsidiary	9,236	-
- overseas taxation	(32,984)	-
- intercompany dividends	-	142,799
- relief on foreign tax paid	<u>-</u>	<u>(71,876)</u>
Actual current tax charge	<u>1,589,565</u>	<u>1,912,959</u>

8. DIVIDENDS

	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
"A" ordinary – interim paid £7.43 (2008: £5.93)	3,714,216	2,962,900
"B" ordinary – interim paid £7.43 (2008: £5.93)	1,267,780	1,304,423
"C" ordinary – interim paid £7.43 (2008: £3.22)	<u>318,004</u>	<u>138,002</u>
	<u>5,300,000</u>	<u>4,405,325</u>

CEDAR ROCK CAPITAL LIMITED
9. FIXED ASSETS
Group

	Furniture & Fixtures	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	£	£	£	£	£
Cost:					
At 1 November 2008	95,299	18,302	72,938	202,736	389,275
Additions	1,500	1,262	2,794	-	5,556
At 31 October 2009	96,799	19,564	75,732	202,736	394,831
Depreciation:					
At 1 November 2008	70,597	15,004	61,327	61,491	208,419
Charge for year	15,329	1,982	7,705	41,945	66,961
At 31 October 2009	85,926	16,986	69,032	103,436	275,380
Net Book Value:					
At 31 October 2008	24,702	3,298	11,611	141,245	180,856
At 31 October 2009	10,873	2,578	6,700	99,300	119,451

Company

	Furniture & Fixtures	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	£	£	£		£
Cost:					
At 1 November 2008	92,602	18,096	65,618	202,736	379,052
Additions	1,500	1,262	2,794	-	5,556
At 31 October 2009	94,102	19,358	68,412	202,736	384,608
Depreciation:					
At 1 November 2008	67,900	14,798	54,007	61,491	198,196
Charge for year	15,329	1,982	7,705	41,945	66,961
At 31 October 2009	83,229	16,780	61,712	103,436	265,157
Net Book Value:					
At 31 October 2008	24,702	3,298	11,611	141,245	180,856
At 31 October 2009	10,873	2,578	6,700	99,300	119,451

10. INVESTMENTS

	Group 31 October 2009 £	Company 31 October 2009 £	Group 31 October 2008 £	Company 31 October 2008 £
Shares in group undertaking (note 3)	-	607	-	619
Investment in Cedar Rock Capital Partners LLC	5,462	-	6,190	-
Investment in Cedar Rock Capital Management Ltd	-	111,927	-	-
	5,462	112,534	6,190	619

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

	Group 31 October 2009 £	Company 31 October 2009 £	Group 31 October 2008 £	Company 31 October 2008 £
UK Gilt Treasury Stock	-	-	14,481,064	14,481,064

12. DEBTORS

	Group 31 October 2009 £	Company 31 October 2009 £	Group 31 October 2008 £	Company 31 October 2008 £
Trade debtors	2,456,957	2,456,957	2,060,811	2,060,811
Other debtors	123,501	139,199	637	637
Deferred tax asset	2,098	2,098	-	-
Prepayments and accrued income	529,551	529,551	433,506	431,964
	3,112,107	3,127,805	2,494,954	2,493,412

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 October 2009 £	Company 31 October 2009 £	Group 31 October 2008 £	Company 31 October 2008 £
Trade creditors	55,281	51,185	57,552	53,374
Overdraft	1,248	1,248	2,210	2,210
Amounts owed to group undertakings	-	-	-	54,845
Corporation tax payable	818,097	822,334	914,714	914,714
Other taxes and social security	1,532,227	1,532,227	1,711,751	1,711,751
Other creditors	15,916	15,916	29,351	29,351
Accruals and deferred income	11,332,325	11,321,060	12,886,499	12,855,024
	13,755,094	13,743,970	15,602,077	15,621,269

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Group 31 October 2009 £	Company 31 October 2009 £	Group 31 October 2008 £	Company 31 October 2008 £
Deferred tax provided:				
- Accelerated capital allowances	-	-	4,263	4,263

The movement in the provision is as follows:

At start of year	4,263	4,263	(337)	(337)
Charge to the profit and loss account	(4,263)	(4,263)	4,600	4,600
At end of year	-	-	4,263	4,263

Deferred tax has been provided at 28% (2008: 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 2009 £	31 October 2008 £
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	400,000
	<u>1,400,000</u>	<u>1,400,000</u>
Allotted -		
500,000 "A" ordinary shares of £1 each	500,000	500,000
170,666 "B" ordinary shares of £1 each	170,666	170,666
42,809 "C" ordinary shares of £1 each	42,809	42,809
	<u>713,475</u>	<u>713,475</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	170,666
	<u>670,666</u>	<u>670,666</u>

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

CEDAR ROCK CAPITAL LIMITED**16. RESERVES**

Group	Capital redemption reserve £	Profit and loss account £	Share premium account £
At 1 November 2008	140,624	3,507,198	223,845
Profit for the year after taxation	-	4,156,534	-
Dividends	-	(5,300,000)	-
At 31 October 2009	<u>140,624</u>	<u>2,363,732</u>	<u>223,845</u>

Company	Capital redemption reserve £	Profit and loss account £	Share premium account £
At 1 November 2008	140,624	3,471,217	223,845
Profit for the year after taxation	-	4,157,238	-
Dividends	-	(5,300,000)	-
At 31 October 2009	<u>140,624</u>	<u>2,328,455</u>	<u>223,845</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group Year ended 31 October 2009 £	Company Year ended 31 October 2009 £	Group Year ended 31 October 2008 £	Company Year ended 31 October 2008 £
At 1 November 2008	4,542,333	4,506,352	5,435,099	5,105,804
Profit for the year after taxation	4,156,534	4,157,238	4,400,074	4,693,388
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	(5,300,000)	(5,300,000)	(4,405,325)	(4,405,325)
Closing shareholders' funds	<u>3,398,867</u>	<u>3,363,590</u>	<u>4,542,333</u>	<u>4,506,352</u>

CEDAR ROCK CAPITAL LIMITED

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

	Group Year ended 31 October 2009 £	Group Year ended 31 October 2008 £
Operating profit	5,670,563	5,781,505
Depreciation	66,961	74,754
(Increase)/decrease in debtors	(615,446)	415,423
(Decrease)/increase in creditors	(1,749,404)	3,100,804
Foreign exchange differences	(11,824)	(321,657)
Net cash inflow from operating activities	3,360,850	9,050,829

19. ANALYSIS OF NET FUNDS**Group**

	At 1 November 2008 £	Cash Inflow/ (outflow) £	Non cash Movement £	At 31 October 2009 £
Net cash				
Cash at bank and in hand	2,985,609	10,919,508	11,824	13,916,941
Overdraft	(2,210)	962	-	(1,248)
Net funds	2,983,399	10,920,470	11,824	13,915,693

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 2009 £	31 October 2008 £
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 \$17,815,217 (2008: \$20,636,009) during the year. As at 31 October 2009 Mr Andrew Brown's interest in the LLC amounted to \$22,098,022 (2008: \$15,225,310) (total net asset value of the LLC \$2,113,220,226 (2008: \$1,687,073,953)). At 31 October 2009 Cedar Rock Capital Partners LLC owed the company \$1,744,048 (2008: \$1,394,364) 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 £3,251,116 (2008: £3,459,831). At 31 October 2009 Cedar Rock Capital Fund Plc owed the company £324,805 (2008: £279,824) in investment management fees.

During the year there have been expenses of £818,888 (2008: £772,407) 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 2009, £150,000 (2008: £100,000) was due to be paid to Meteora Partners LLP.

The company has taken advantage of the FRS8 exemption and chosen not to disclose certain intra group transactions.