

CIFF (UK) TRADING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

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CIFF (UK) TRADING LIMITED

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CIFF (UK) TRADING LIMITED
COMPANY INFORMATION

Directors	Ms Jamie Cooper-Hohn Mr William Reeves
Secretary	Mr William Reeves
Company Number	5139984
Registered Office / Business Address	7 Clifford Street London W1S 2WE
Auditors	PricewaterhouseCoopers LLP 80 Strand London WC2R 0AF
Bankers	HSBC Bank plc Level 18 8 Canada Square London E14 2HQ
Solicitors	Bircham Dyson Bell 50 Broadway London SW1H 0BL

CIFF (UK) TRADING LIMITED (no 5139984)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2009

The directors present their report and financial statements for the year ended 31 August 2009 and have been prepared in accordance with Companies Act 2006

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

CIFF (UK) Trading Limited's (the "Company") principal activity is that of a member of The Children's Investment Fund Management (UK) LLP ("TCI LLP") – an investment manager authorised and regulated by the Financial Services Authority. All of the company's income is derived from TCI LLP.

The profit before taxation in the year to 31 August 2009 was £7,775,022 (2008 £5,629 loss)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the strategy is subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to the performance of TCI LLP, from whom the Company derives its income.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.

DIRECTORS AND THEIR INTERESTS

The following directors have held office throughout the year and to the date of signing this Report, except where otherwise stated -

Ms Jamie Cooper-Hohn
Mr William Reeves

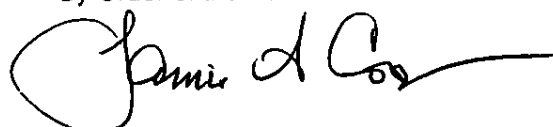
CHARITABLE DONATIONS

During the year, the Company made charitable donations under the Gift Aid Scheme totalling £11,373,235 to The Children's Investment Fund Foundation (UK) ("CIFF UK") (2008 £485,815,997)

AUDITORS

During the year, Horwath Clark Whitehill LLP resigned as auditors and the Board of Directors appointed PricewaterhouseCoopers LLP as the new auditors.

By Order of the Board



Director

27/5/10

CIFF (UK) TRADING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIFF (UK) TRADING LIMITED

We have audited the financial statements of CIFF (UK) Trading Limited for the year ended 31 August 2009 which comprise of the primary statements including the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes. 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).

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 Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 August 2009 and of its profit and cash flows 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 matter prescribed by the Companies Act 2006

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

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CIFF (UK) TRADING LIMITED (CONTINUED)**

- 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, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime



Ian Dixon (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 May 2010

CIFF (UK) TRADING LIMITED (no 5139984)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	2009	2008
		£	£
TURNOVER	12	19,161,063	486,082,098
Administrative expenses		<u>(12,806)</u>	<u>(271,730)</u>
OPERATING PROFIT		19,148,257	485,810,368
Gift Aid payment to CIFF (UK)		<u>(11,373,235)</u>	<u>(485,815,997)</u>
Retained profit / (loss) for the year before taxation		<u>7,775,022</u>	<u>(5,629)</u>
Tax on profit / (loss) on ordinary activities	3	<u>-</u>	<u>-</u>
RETAINED PROFIT / (LOSS) FOR THE YEAR	8	7,775,022	(5,629)

The profit and loss account has been prepared on the basis that all operations are continuing operations

CIFF (UK) TRADING LIMITED (no 5139984)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	2009	2008
		£	£
Profit / (loss) for the financial year		7,775,022	(5,629)
Unrealised loss on investments	4	(2,242,950)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		5,532,072	(5,629)

There are no material differences between the profit / (loss) for the financial year above and its historical cost equivalents

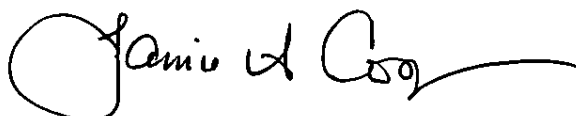
CIFF (UK) TRADING LIMITED (no 5139984)

BALANCE SHEET
AS AT 31 AUGUST 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Investments	4	5,623,192	78,249
CURRENT ASSETS			
Debtors	5	5,000,000	6,587,977
Cash at bank and in hand		14,472	31,005
		<u>5,014,472</u>	<u>6,618,982</u>
CREDITORS: amounts falling due within one year	6	<u>(5,006,224)</u>	<u>(6,597,864)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,631,440</u>	<u>99,367</u>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss reserves	8	<u>5,631,439</u>	<u>99,366</u>
TOTAL SHAREHOLDERS' FUNDS	9	<u>5,631,440</u>	<u>99,367</u>

The financial statements were approved and authorised for issue by the Board on
and signed on its behalf by

27/5/10



Jamie Cooper-Hohn
Director

CIFF (UK) TRADING LIMITED
CASH FLOW STATEMENT
AND NOTES TO THE CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2009

	2009 £	2008 £
Net cash inflow / (outflow) from operating activities	<u>7,771,360</u>	(3,558)
Capital expenditure and financial investment		
Payments to acquire investment assets	<u>(7,787,893)</u>	(3,149)
Decrease in cash in the year	<u>(16,533)</u>	(6,707)

NOTES TO THE CASH FLOW STATEMENT

i. Reconciliation of operating profit / (loss) to net cash inflow/(outflow) from operating activities	2009 £	2008 £
Profit / (loss) on ordinary activities before tax	7,775,022	(5,629)
(Increase) in debtors	1,587,978	(909,143)
Increase in creditors	<u>(1,591,640)</u>	911,214
Net cash inflow / (outflow) from operating activities	<u>7,771,360</u>	<u>(3,558)</u>

ii. Analysis of net funds	1 September 2008 £	Cash flow £	31 August 2009 £
Net cash			
Cash at bank and in hand	31,005	<u>(16,533)</u>	<u>14,472</u>
	31,005	<u>(16,533)</u>	<u>14,472</u>

iii. Reconciliation of net cash flow to movement in net funds	2009 £	2008 £
Decrease in cash	<u>(16,533)</u>	(6,707)
Movement in net funds	<u>(16,533)</u>	<u>(6,707)</u>
Opening net funds	<u>31,005</u>	37,712
Closing net funds	<u>14,472</u>	<u>31,005</u>

CIFF (UK) TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historic cost convention in accordance with the Companies Act 2006 and applicable accounting standards. A summary of accounting policies is set out below.

b) Turnover

Turnover represents the Company's share of the partnership profits from The Children's Investment Fund Management (UK) LLP ("TCI LLP") and the interest received on cash deposits. The partnership profits are recognised on an accruals basis.

c) Expenditure

Expenditure is accounted for on an accruals basis.

d) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

e) Investments

Investments are valued at market value.

2. OPERATING PROFIT

	2009 £	2008 £
Operating profit is stated after charging		
Auditors' remuneration - PwC	3,525	-
Auditors' remuneration - HCW	575	2,875
Tax advice - PwC	12,299	8,540
Other expenses	176	171
Foreign exchange losses	(3,769)	260,144
	12,806	271,730

Foreign exchange losses arise due to the time lag between receipt of the profit allocation from TCI LLP and the payment of Gift Aid donations to CIFF (UK) as well as revaluation of non-GBP denominated investments.

CIFF (UK) TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

3. TAXATION	2009	2008
	£	£
Current tax charge	-	-
Factors affecting the tax charge for the year		
Profit / (loss) on ordinary activities before taxation	5,128,025	(5,629)
Profit / (loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008 28%)	1,538,408	(1,632)
Effect of		
Utilised relief for Gift Aid on Donations	(1,538,408)	-
Tax losses carried forward	-	1,632
Current tax charge	-	-
4. INVESTMENTS	2009	2008
	£	£
Balance at 1 September	78,249	75,100
Additions	7,787,893	3,149
Unrealised losses and foreign exchange losses	(2,242,950)	-
Balance at 31 August	5,623,192	78,249
Historic cost of investments as at 31 August, 2009 was £6,151,933		
5. DEBTORS	2009	2008
	£	£
Amounts due from TCI LLP	-	6,587,977
Amounts due from CIFF (UK)	5,000,000	-
	5,000,000	6,587,977
6. CREDITORS: amounts falling due within one year	2009	2008
	£	£
Amounts payable to CIFF (UK)	-	6,587,977
Amounts payable to TCI LLP	5,000,000	-
Amounts payable to CIFF (UK) LLP	614	549
Other creditors	2,085	6,463
Accruals	3,525	2,875
	5,006,224	6,597,864
7. SHARE CAPITAL	2009	2008
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

CIFF (UK) TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

8 RETAINED PROFIT / (LOSS) FOR THE YEAR

	2009 £	2008 £
Balance as at 1 September	99,366	104,995
Retained profit / (loss) for the year	<u>5,532,073</u>	<u>(5,629)</u>
Balance as at 31 August	<u>5,631,439</u>	<u>99,366</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit / (loss) for the financial year	<u>5,532,073</u>	<u>(5,629)</u>
Net addition / (reduction) to shareholders' funds	<u>5,532,073</u>	<u>(5,629)</u>
Opening shareholders' funds	<u>99,367</u>	<u>104,996</u>
Closing shareholders' funds	<u>5,631,440</u>	<u>99,367</u>

10. EMPLOYEES

There were no employees during the year (2008 nil) The directors did not receive any remuneration during the year for their services (2008 nil)

11. CONTROL

The immediate and ultimate parent company is The Children's Investment Fund Foundation (UK), a charitable company registered in England and Wales (charity number 1091043)

The Children's Investment Fund Foundation (UK) prepares group financial statements and copies can be obtained from 7 Clifford Street, London, W1S 2WE

12. RELATED PARTY TRANSACTIONS

During the year, the Company received a profit share of £18,784,139 (2008 £486,074,386) from TCI LLP, an entity in which the Company is a partner Of this total, £7,787,828 was in the form of shares held in the TCI Fund, TCI LLP is an investment manager, whose managing partner is Mr Christopher Cooper-Hohn, the spouse of Ms Jamie Cooper-Hohn, one of the directors of the Company

During the year, the Company received interest on cash deposits of £nil (2008 £7,712)

The Company has taken advantage of the exemption in Financial Reporting Standard number 8 'Related Party Transactions' from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent entity and the Company is wholly owned by the parent entity

13. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 August 2009, the Company had no outstanding commitments of contingent liabilities