

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

England & Wales · Charity number 1091043

Details

Other names	THE C-H FOUNDATION, CIFF UK
Status	Registered
Legal form	Charitable company
Company number	04370006
Registered	2002-03-12
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE OBJECTS OF THE CHARITY ARE THE GENERAL PURPOSES OF SUCH CHARITABLE BODIES OR FOR SUCH OTHER PURPOSES FOR THE BENEFIT OF THE COMMUNITY AS SHALL BE EXCLUSIVELY CHARITABLE AS THE TRUSTEES MAY FROM TIME TO TIME DETERMINE ("THE OBJECTS").

Activities: THE CHILDREN'S INVESTMENT FUND FOUNDATION IS AN INDEPENDENT PHILANTHROPIC ORGANISATION, WORKING WITH PARTNERS TO TRANSFORM THE LIVES OF POOR AND VULNERABLE CHILDREN IN DEVELOPING COUNTRIES. USING DATA AND EVIDENCE FOR IMPACT AT SCALE, CIFF'S FOCUS AREAS INCLUDE CHILDREN AND MOTHERS' HEALTH AND NUTRITION, CHILDREN'S EDUCATION AND WELFARE, AND SMART WAYS TO SLOWDOWN CLIMATE CHANGE.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Overseas Aid/famine Relief, Environment/conservation/heritage, Other Charitable Purposes
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE

- Australia
- Austria
- Bangladesh
- Brazil
- Canada
- China
- Czech Republic
- Denmark
- Ethiopia
- France
- Germany
- Ghana
- India
- Ireland
- Italy
- Japan
- Kenya
- Malawi
- Mexico
- Netherlands
- Nigeria
- Norway
- Peru
- South Africa
- Switzerland
- Tanzania
- Uganda
- United States
- Zimbabwe
- City Of London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£237,219,502	£508,444,170	£4,807,068,253	225
2023-12-31	£238,980,100	£449,052,123	£4,516,824,989	211
2022-12-31	£58,204,585	£409,827,075	£4,115,685,357	195
2021-12-31	£20,993,251	£618,739,409	£4,352,042,524	167
2020-12-31	£75,404,150	£298,637,562	£4,384,025,499	132

Trustees

Name	Role	Appointed
Ana Wiechers Marshall		2020-09-30
BENJAMIN JAMES GOLDSMITH		2015-11-18
Dr Marko Lehtimaki		2021-05-13
Masroor Taale Siddiqui		2015-11-18
Sir CHRISTOPHER HOHN		

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Accounts

Annual Report 2024

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Founder's Message

"In a world where wealth and influence can shape outcomes, those with significant resources must consider how to use philanthropy to drive meaningful and lasting change."

Sir Christopher Hohn

Founder and Chair
22nd May 2025

When I was 20 years old, I met children living in extreme poverty for the first time. Like all children, they were precious – but the circumstances around them, the system they had been born into, had taken opportunities away from them.

At that moment, I made a commitment: if I ever had the resources, I would work to address the barriers that prevent children from living healthy, happy lives. This commitment has driven every aspect of my career.

The current global context, with delivery and funding gaps persisting across all areas of international development, means it is more challenging than ever to reach our collective 2030 goals. Philanthropy is not a silver bullet and cannot fix all the world's problems; however, in a world where wealth and influence can shape outcomes, those with significant resources must rise to the occasion and use philanthropy to drive meaningful and lasting change. Reflecting on 2024, there are clear examples from our work that illustrate how philanthropy can be most effective...

1. Seeing every person holistically means taking a system-wide approach to improving children's lives.

When speaking to the young people we serve, I am always reminded of the complexity of every issue we work on. Nobody experiences health, nutrition, education, safety, the environment or any other aspect of their life in isolation.

School meals are a great example of this. If children are provided with nutritious school meals, they will be more likely to stay in school, they'll be healthier and able to learn more – it creates an amazing virtuous circle which impacts every aspect of their lives. But this works best if we can catalyse the system to make school meals the norm. That's why in 2024 CIFF announced a \$100 million partnership with the African Development Bank Group, to unlock sustainable financing for school feeding across Africa alongside governments. *(Read more on page 19).*

The public procurement this provides has the potential to also strengthen agricultural supply chains and thereby improve livelihoods. This is why CIFF's focus on climate is so important. Agriculture is particularly vulnerable to climate change but our current food and land use system is one of the largest contributors to global emissions and biodiversity loss. To address this, CIFF has been investing in sustainable agriculture and sustainable land use across the world. We are seeing progress, for example Brazil is once again using data and alert systems to control deforestation and is now on track for net zero deforestation by 2030 with a 7% drop in 2024 alone. *(Read more about this on page 12).*

2. When a solution works, philanthropies must work in partnership with governments to scale it

Progress happens at scale and lasts longer when it is led by accountable governments and driven by the priorities of the people of that country.

During my recent visit to India, I was struck by the Government's adoption of innovations, driven by supportive policies. CIFF

in India has been working with government and partner organisations to pilot and scale innovative programmes that drive tangible, life-changing outcomes. For example, in Rajasthan, we supported the State Government in bringing advanced digital health diagnostics to remote villages, significantly expanding maternal and child healthcare access. We also collaborated with the Skills Ministry on the Skill Impact Bond which leverages an outcomes-based financing model to ensure that their skilling programme translates into employment for women. The visit left me deeply optimistic about our efforts in India and strengthened my resolve to double down on these successful initiatives with proven results in partnership with government, working to local development priorities. *(Read more about CIFF's work in India on page 22).*

3. We can't achieve any of our goals alone; we have to achieve them in partnership

Everything we do at CIFF, we do in partnership with others. "Our" impact is only the collective impact of the governments, the communities and the organisations we work with. The Child Nutrition Fund, a UNICEF-led catalytic financing mechanism is a successful example of multiple partners coming together. Similarly, last year I was proud to announce a \$100 million commitment in new funding to the WISH dividend Platform which will support countries to reach or surpass their national Family Planning 2030 targets. Working in partnership with the FCDO, this will enable over 7.7 million women and girls to access their family planning method of choice.

Partnership is critical in absolutely everything we do - whether it's our collaboration with Climate Lead to inspire other philanthropic leaders to take climate action around the world or our renewed commitment to the European Climate Foundation - which has enabled deep collaboration across governments, civil society and the public at large.

For every challenge we face, there is an opportunity to build a better world for children. But we cannot be complacent - we must act with urgency to ensure that every moment, every dollar and every human being matters. That's why in 2024, I personally committed to donate an additional \$328 million in funding to CIFF, for specific programmes. As CIFF continues to scale its level of philanthropic giving, finding opportunities to improve the lives of children continues to be the guiding rationale behind all our work.

I would like to thank CIFF's Board of Trustees and all CIFF staff and partners for their work delivering our shared vision for a safe, healthy and fair world, as we move forward in this challenging time.



Sir Christopher Hohn
Founder and Chair
22nd May 2025

"That's why in 2024, I personally committed to donate an additional 328 million in additional funding to CIFF, for specific programmes."

Sir Christopher Hohn

CEO's Message

"We recognise the enormity of the issues we are trying to solve and are willing to work with new partners and build coalitions from around the world to drive us towards key development milestones."

Kate Hampton

CEO
22nd May 2025

At CIFF, we strive to ensure that all children, especially the most marginalised, have the opportunity to lead healthy, happy lives. To make this a reality on a global scale, we focus on some of the world's most pressing challenges—climate change, girls' education and choice, and strengthening nutrition and healthcare systems. In practice, this means working closely with governments, implementing partners and other philanthropies, to take proven solutions and bring them to scale across countries, regions and globally.

Our work exists within a profoundly complicated, and worsening, global context. But that is not reason to despair, and saying something is difficult has never been a strategy. Instead we must look for and capitalise on areas of opportunity. Where we see climate change denialism, we must continue to demonstrate that the green transition is not only compatible with economic growth, but can accelerate it. Where women and girls face greater restrictions on their life opportunities and ability to choose, we must expand access to core lifelines like education, skilling and reproductive health. Where nutrition and basic healthcare is still inequitably distributed around the world, we must scale cost-effective innovations whilst championing government ownership. Across these opportunities, there is a need for us to be entirely clear on our role as a philanthropic foundation; to help build bridges so that we can work faster, smarter, and collectively to advance global climate and development goals.

In recognition of the external context, we have worked to adapt our approach, maintaining a laser focus on our charitable objectives and prioritising long-term grants which have a clear path to sustainability. All our work is structured around specific missions, which are outcomes we are working towards in the real world - whether that's ending seven specific Neglected Tropical Diseases in Africa, or ensuring that children are born healthy in India.

In this context, I am proud that we have continued to show the power of collaboration at global and local levels. Here are just a few examples:

1. Keeping children safe is central to everything we do, yet 99% of the world's population breathe harmful air. Burning fossil

fuels has a disastrous effect on child health, whilst also driving the climate crisis. In 2024, we saw strong European leadership on clean air with the EU's adoption of one of the world's most progressive air quality frameworks. CIFF's partner, the Clean Air Fund, has been working collaboratively in Europe for many years to help support evidence based policy on clean air - and this policy uptake is testament of their impact. The new Ambient Air Quality Directive could prevent hundreds of thousands of premature deaths and set a precedent for action globally.

2. We continued to support the development of sexual health innovations which are shaping the way in which HIV self-testing and prevention can be offered to users around the world, offering options which will protect millions – particularly in middle and lower-income countries.
3. In 2024 our strong partnership work to help end Neglected Tropical Diseases (NTDs) gained momentum as more countries formally announced eliminations of diseases - 54 countries had eliminated at least one NTD by the end of 2024. Furthermore, funding mechanisms such as the Child Nutrition Fund were strengthened to tackle malnutrition at a global scale.
4. A major highlight for me was attending the first ever Ending Violence Against Children Ministerial in Bogota, Colombia – where CIFF supported an array of partners, from survivors, to NGOs, and government ministers. At the Ministerial over 100 governments pledged commitments, and CIFF committed \$125 million to advance evidence-based, scalable, and locally-led solutions to address violence against children – particularly in support of government efforts to end child marriage in India and across Africa.

To complement our scaled ambition, we are scaling up our funding. As recognition of the urgency of the challenges we face, and the opportunity CIFF has to accelerate global progress, in 2024, we received a generous donation from Sir Chris Hohn to scale our philanthropic giving. Sir Chris is contributing an additional \$328 million, outside of CIFF's endowment, for specific programmes. Combined with CIFF's planned charitable commitments, this brings our total commitments in 2024 to \$923 million. This significant increase brings our total active commitments plus multi-year grant portfolio to \$3.1 billion.

In the context of rollbacks on government development budgets and a broader retreat from global solidarity, we are proud of the bold commitment from Sir Chris and his continued care and dedication in this work. This scaling up of CIFF's work is testament to Sir Chris', and the entire foundation's, belief that progress is possible.

Although this is a considerable increase in our charitable spend, we should be under no illusions that philanthropy can solve the financing crisis on its own. As many nations grapple with limited fiscal space – the product of punitive cost of capital and a persistent debt crisis – collectively we are falling far short in ensuring adequate financing for countries' climate and development priorities. Supporting domestic resource mobilisation and systems strengthening, unlocking private capital mobilisation, and reforming multilateral financial systems are crucial steps to addressing this problem. I am pleased that CIFF continues to build its own climate and development finance

capabilities and grantmaking, and moving forward we will be doing more to ensure that the global finance system is fit for purpose.

2024 was a transformative year for CIFF as an organisation and I was consistently reminded that the strength of our work comes not just from our resources, but also from our people. I am incredibly proud of all the hard work CIFF colleagues and partners put in to make 2024 a year of progress amidst uncertainty and change. It has been their unwavering commitment and entrepreneurial spirit that has driven our success.

So, I hope you find in this report that there is progress to celebrate, and abundant evidence that the challenges we face can be overcome. And as we look ahead to 2025, I think there is reason to be excited for the work ahead. Now more than ever philanthropy has a duty to pool resources, convene partners and accelerate system change for a better future for all. CIFF is ready to play its part.



Kate Hampton,
CEO
22nd May 2025

"This brings our total commitments in 2024 to \$923 million, enabling CIFF to double down on programmes which incentivise domestic government partnership."

Kate Hampton

2024 by the numbers

Charitable Investments Approved



To accelerate progress towards globally agreed targets, CIFF's approved charitable investments in 2024 were \$923 million, \$595 million of which came from CIFF's endowment and \$328 million from generous donations from Sir Chris Hohn for specific programmes. This is a large increase compared to previous years and means we expect disbursements to increase in the future.

Grant Disbursements



Along with increased approved charitable investments, CIFF increased its grant disbursements with \$631 million in 2024, an increase of \$53 million compared to 2023.

Active Portfolio

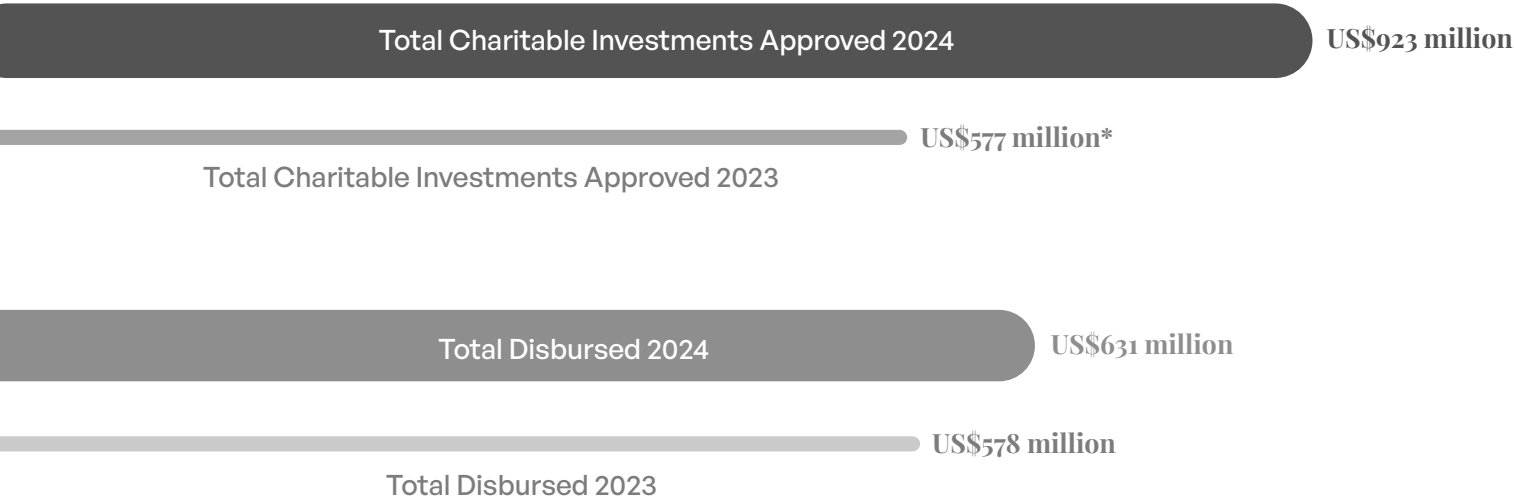


CIFF's investments often span across multiple years. As of the end of 2024 the total funds committed to projects, combined with the funds already spent on live projects, amounted to an active charitable portfolio of \$3.1 billion.

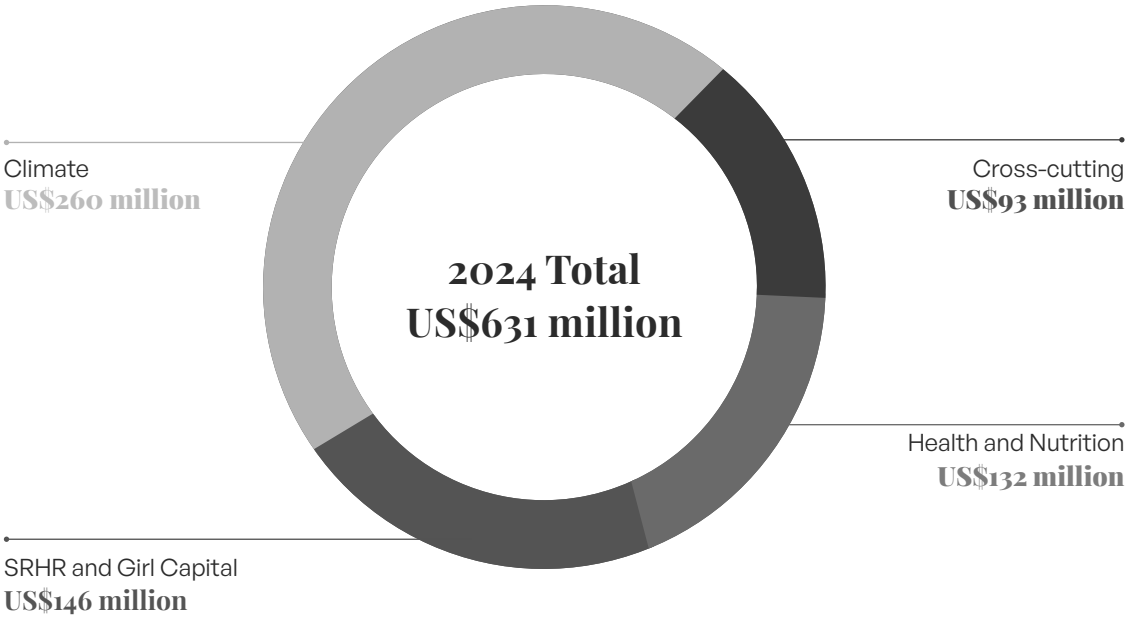
Endowment



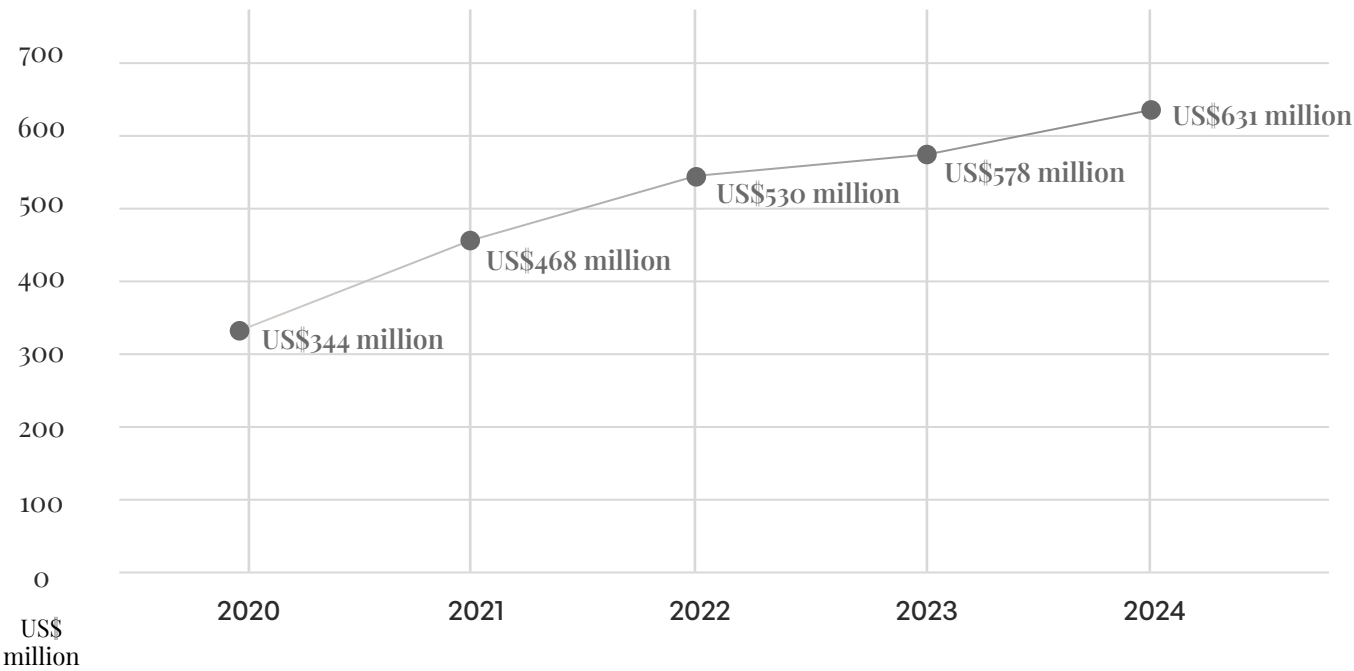
Investment returns and income from our endowment assets were positive in 2024 and after charitable expenditure the closing endowment value for 2024 increased to \$6.1bn. The strong investment returns continue to give us the financial strength and stability to make substantial long-term commitments to the work of our grantees.



2024 Disbursements by Programmatic Area



Grant Disbursements over the past 5 years



* Restated to incorporate Sir Chris's restricted funding.

Impact Highlights in 2024

At the heart of our work is the aim to create tangible impact in the real world. Improving children's lives today and for generations to come. What impact looks like varies across each area of our work: some are outcomes which we have helped catalyse through funding of specific programmes, but increasingly these are large scale outcomes which we have been part of ecosystem of partners helping to accelerate.

Supporting Europe's Decarbonisation

Enabled by years of government leadership and supported by work from ClIFF partners and many more stakeholders, major decarbonisation progress was witnessed in Europe in 2024. The EU and UK reduced emissions by 40% and 50% below 1990 levels respectively—partly driven by a record 60GW of renewable deployment and the UK's phase-out of coal power, marked by the closure of its last coal power station. This progress has been enabled by high-quality policy, regulation, and economic incentives whose design is supported by ClIFF's community of partners.

Preventing HIV

In 2024, ClIFF and the Global Fund's catalytic HIV Prevention Fund helped over 500,000 at-risk people access HIV pre-exposure prophylaxis (PrEP), thanks to the implementing partners. This included access to the first long-acting injectable PrEP product allowing those who are most vulnerable to have autonomy over their health.

Supporting prevention and treatment of malnutrition through catalytic mechanisms

ClIFF, along with its funding partners, has continued to support UNICEF's Child Nutrition Fund, a unique match funding model aiming to grow sustainable nutrition financing. By end of 2024, CNF had enabled procurement of \$55 million worth of commodities through matching domestic resources, including for life-saving treatment of children suffering from severe acute malnutrition in over 15 countries in Africa and Asia. The Fund is also supporting multi-year prevention and treatment programmes on maternal and child nutrition through a blend of domestic, concessional and donor financing.

Helping to Reduce Low-Birth Weight Cases

'Rajpusht,' a cash transfer programme led by the Rajasthan Government with support from ClIFF is transforming maternal health and childbirth outcomes. Since 2021, cash transfers have benefitted over 3 million women in Rajasthan. A 2024 evaluation of the impact of these transfers in five of the state's most vulnerable districts showed a significant 21% reduction in cases of low-birth weight.

Providing nutritious school meals in Africa

ClIFF's partner, Food4Education (F4E), has demonstrated the impact of school feeding programmes and been scaling its impact. By the end of 2024, the organisation had served almost 80 million nutritious meals to children in schools, improving their educational and nutrition outcomes. Currently, F4E feeds 468,000 children daily, aiming for 1 million children every day by 2030. To expand the model further, last year ClIFF launched the Ending School Age Hunger Fund, with the African Development Bank.

Scaling Initiatives through Partnership in 2024

To reach large-scale, real-world outcomes, ClIFF relies on strong partnerships with a range of organisations. In 2024 we celebrated a wide variety of new partnership announcements, bringing together financing, resources, and focus to the world's most pressing needs.

We look forward to witnessing the progress reaped by these initiatives in years to come, to help further meet our collective long-term goals.

In 2024 the **Global Methane Hub** – backed by ClIFF and a coalition of philanthropic partners – secured major development finance partnerships and funding commitments which should triple multilateral development bank financing for methane mitigation. Additionally, the Global Methane Hub announced over \$300 million in new philanthropic funding for methane reduction projects worldwide, to reduce global methane emissions 35% by 2030 and 50% by 2050. (Read more on page 12)

A **new coordinated partnership was announced between ClIFF, the Gates Foundation, The Global Fund and the United States President's Emergency Plan for Aids Relief**, to accelerate access to game-changing long-acting injectable HIV prevention. This effort will rapidly provide affordable and equitable access to lenacapavir for HIV pre-exposure prophylaxis to significantly reduce Global HIV infections. (Read more about this on page 13)

In June, ClIFF partnered with **UNICEF's UK Soccer Aid** campaign to match the public's donations whilst raising the visibility of the issue of malnutrition to the wider public. The \$10 million of funds raised through this partnership were programmed towards a new Child Nutrition Fund programme to help provide nutrients to pregnant women. (Read more about this on page 15)

In September 2024, **ClIFF renewed its partnership with the Rajasthan Government** for another five years. At the MoU signing, Sir Chris Hohn reaffirmed ClIFF's commitment to ensuring a healthy and inclusive environment for the state's children. Our partnership with Rajasthan since 2015 has delivered significant impact: 3 million pregnant women have benefited from enhanced nutritional support, while 5.5 million women accessed safe childbirth services. Additionally, 1 million girls gained improved access to education and livelihood opportunities. Many successful programmes that began in Rajasthan have now been scaled across India. (Read more about this on page 23)

Committing \$125 Million to Ending Violence Against Children ClIFF took part in the first ever Ministerial on Ending Violence Against Children in November 2024. During this historic summit, 100 Governments pledged commitments to address violence against children and ClIFF committed 125 million to advance evidence-based, scalable and locally led solutions to aid in addressing the issue, contributing to our work on child marriage. (Read more about this on page 17)

In 2024, ClIFF was part of a collaborative which helped establish **the Beginnings Fund, an initiative which is working with African governments to strengthen maternal and newborn healthcare**, aiming to prevent over 300,000 avoidable deaths by 2030. The Beginnings Fund officially launched in 2025, with the support of ELMA Philanthropies, the Gates Foundation, Delta Philanthropies and the Mohammed Bin Zayed Foundation for Humanity. (read more about this on page 20)

Overview of our work in 2024

Global: Climate

In 2024, we witnessed the devastating and increasing effects of climate change. From record-breaking temperatures to extreme weather events, the impacts of human-caused global warming are undeniable. As an organisation focused on improving the lives of children, the climate crisis is making every aspect of our work harder: from strengthening healthcare systems to girls' education to child nutrition. However, in the face of crises we have seen bold steps forward to reduce emissions and create a more livable planet for all.

The work we do to mitigate climate change is urgent – every fraction of a degree matters. Meaningful progress requires both immediate action and long term vision, guided by the globally agreed climate targets but led by government priorities and initiatives. By making systemic interventions, we can unlock change at every level while stimulating economic growth and creating opportunities that allow for a prosperous and secure future for us all. In practice, this means working more deliberately with our ecosystem of global, regional, national and sub-national partners. By bringing together cross-sectoral expertise as well as diverse voices we can co-create and accelerate climate solutions.

This section outlines the impact of our global climate work. For more detail on work in specific regions see the following sections: Africa (page 21), India (page 23), East and South-East Asia (page 24) and Europe (page 26). Our regional pages

highlight remarkable shifts in the energy transition away from fossil fuels and towards renewables, as well as on the use of data, financial regulation, and industrial policy to drive decarbonisation across the economy while generating jobs and growth. Through strong government leadership and robust policymaking, Europe has reduced emissions by 40% since 1990, while growing its economy by 68% during the same period, demonstrating that decoupling is possible. However, and regardless of progress in one region, the climate crisis needs to be addressed at a global level to be effective; this is why CIFF focuses as much on building solidarity, global cooperation and building bridges across our portfolio.

Partnerships and Philanthropic Leadership

The Clean Air Fund has been helping to drive innovative financial mechanisms to unlock new funding for clean air projects. In 2024, the World Bank's Multilateral Investment Guarantee Agency pledged \$1 billion in financial guarantees to de-risk investments in air quality initiatives across the Global South. Additionally, in 2024 the Global Methane Hub expanded its impact by tripling multilateral development bank funding for methane mitigation and securing over \$300 million in new philanthropic support. Key initiatives include partnerships with IFAD, IDB, and the World Bank to drive methane reduction globally.

"Our model is simple, but it works: fund grantees across the globe to increase their real-world impact. We're in a sprint to lower methane emissions and we are proud to serve as a convener between governments, philanthropies, and industry leaders in the fight to reduce harmful emissions."

*Marcelo Mena,
CEO, Global Methane Hub*

CIFF remains committed to strengthening climate philanthropy, investing in fundraising support infrastructure like Climate Lead, which has now catalyzed more than \$5 billion of philanthropic dollars into high-impact climate solutions. In addition to Climate Lead, our partners Active Philanthropy and Impatience Earth have been working at local and regional levels to increase both the quantity and quality of new funding into climate mitigation.

Throughout 2024, we also harnessed the power of convening, bringing together a diverse range of partners across key thematic areas to build community, align on strategy, and drive collective action. By fostering collaboration, sharing insights, and amplifying innovation, we are strengthening the sector's ability to drive lasting impact. This was particularly true at and around major moments, including COP29. Here we supported the Children and Youth pavilion for the third year in a row, alongside the establishment of the PYCC Support Team at UNFCCC secretariat to enhance and encourage the inclusive engagement of children and young people in climate decision-making and international policy processes.

Private Finance and Data

For private finance, transparency is a crucial lever for driving accountability and strengthening corporate responsibility. It helps ensure decisions are data-led and encourages more

ambitious action in line with the Sustainable Development Goals and the Paris Agreement. In 2024, CIFF's partner, Climate Arc, launched Transition Arc, a one-stop tool to assess corporate climate transitions. In its first year, the tool graded over 500 companies, and has over 1,300 users, including 270 financial institutions. Arc's collaboration with the wider CIFF ecosystem of partners is now focusing on sectoral policy design which will be critical to unlock transition finance where it's needed most.

Data is also a powerful tool in helping to drive down greenhouse emissions. By mapping emissions globally using satellite technology, we can drive timely action. In 2024, CIFF supported the launch of two groundbreaking new satellites to do exactly this. MethaneSAT and Carbon Mapper are tracking emissions around the world and the resulting data will be used to drive mitigation and inform decision makers. An early success came when Carbon Mapper detected a major methane leak in Texas' Permian Basin, prompting swift repairs from the operator. Each hour it was emitting the equivalent of 47 conventional cars for a year.

Another example of effective data can be seen in Brazil, where significant strides have been made towards environmental protection, by strengthening data to accelerate speed of reform where government policy is already strong. In 2024, deforestation in the Amazon fell by 7% from 2023 levels, marking a 65% drop since the new administration took office. The progress in Brazil is a result of strong political leadership and long term commitments from civil society. This includes partner organisations such as iCS who provide data that enables enforcement and advocacy for conservation policies. As a result of these combined efforts, Brazil is now on track for net zero deforestation in the Amazon by 2030.

Furthermore, effective collaboration between civil society organisations and strong government leadership can be seen in Mexico where in late 2024 ICM shared with the new administration its detailed analysis of a feasible Net Zero Pathway for Mexico. This analysis supported the Government in announcing at COP29 in Baku a 2050 net zero target. The Environment Ministry and ICM agreed to sign a memorandum of understanding to set the basis for ICM to help the Government prepare a new 2035 mitigation goal as part of a new NDC that will be submitted by COP30 in Belem.

Photo credit: slowstep

Global: Sexual & Reproductive Health & Rights (SRHR)

When we invest in giving women the right to choose their futures, everyone benefits. The progress made on sexual and reproductive health (SRH) access over the past three decades is astounding – the unintended pregnancy rate has fallen by nearly 20% since 1990 and new HIV infections by one-third in the last 15 years. It would have been easy to believe that the trajectory was only towards progress, but sadly this is not the case.

The vision for every person to have autonomy, dignity and access to SRH is not only far from being realised but the world is sliding backwards. Dramatic political, socio-cultural and economic barriers persist across the world, impacting the health and potential of individuals, as well as communities and countries as a whole. The significant uncertainty regarding the future of vital institutions such as PEPFAR means that millions of lives are at risk.

It is possible to change this trajectory, but it will require deep commitment from all partners, across civil society, governments and the private sector. At CIFF, we are keeping our focus on three primary missions: breaking the cycle of HIV transmission, scaling SRHR innovations, and building family planning access and financing. Our work in 2024 shows how we've been seeking innovative funding partnerships to scale vital work on SRHR and give more individuals bodily autonomy.

Breaking the cycle of HIV transmission

Our work on HIV is a prime example of innovative funding and strategic partnerships and has helped reach hundreds of thousands of at-risk individuals with life-saving interventions.

Building on the success of CIFF's HIV self-testing matching fund, CIFF's \$25 million catalytic HIV Prevention Fund, administered through the Global Fund, reached over 500,000 at-risk people with HIV pre-exposure prophylaxis in 2024. This included access to the first long-acting injectable product. CIFF also launched a new initiative with the Global Fund for the purchase of approximately 150,000 dapivirine vaginal rings, a long-acting PrEP option for high-vulnerability women.

We also joined forces with the Gates Foundation, PEPFAR, and the Global Fund, to accelerate access to long-acting injectable lenacapavir (LEN). This partnership will cover at least 2 million users with this game-changing prevention option that provides nearly complete HIV protection for 6 months after just one injection. We look forward to continuing working to support the development of affordable generic LEN to scale to millions of users in lower-middle-income countries.

"At the Global Fund, we are incredibly excited by the promise of lenacapavir and its potential to help us achieve a further significant reduction in new infections among individuals at high risk of acquiring HIV...As part of this coordinated effort, the Global Fund, PEPFAR, CIFF, and BMGF will work with Gilead and the voluntary licensing manufacturers to accelerate affordable and equitable access, so that more people can benefit from this powerful innovation from day one."

*Peter Sands, Executive
Director of the Global Fund.*

As we look to the future of this work, we recognise the rapidly changing funding environment and the impact this will have on those who need this healthcare most. Alongside partners, we have the tools, approaches and platforms to change the course of HIV treatment to millions around the world. The priority for us now is resourcing. Our focus will be to mobilise the funding needed to help HIV prevention and treatment reach as many people as possible.

Scaling SRHR innovations

We believe in scaling SRHR innovations because doing so gives individuals greater choice and empowers them to make informed decisions about their bodies and lives. We do this by supporting the market to make products cost-effective, so they can then reach more people and increase the available options. A key example of this in 2024 was CIFF and the Gates Foundations' partnership with Incepta Pharmaceuticals. Through philanthropic support, Incepta has developed the first generic self-injectable contraceptive (DMPA-SC). We expect WHO pre-qualification in late 2025. This innovation will significantly improve the security of the supply-chain and affordability for this key family planning method – helping more women access their healthcare of choice.

In 2024, CIFF also re-invested in scaling our Delivering Innovation in Self Care (DISC) partnership, implemented primarily by PSI. This initiative is helping to scale up self-care options and better integrate these options into health systems. We expect CIFF's new investment in DISC to help 4.6 million users access self-care options by 2027 and reach over 36 million individuals by 2030. Another route to scale SRHR innovations has been through the Injectables Access Collaborative. This has helped unlock self-care by enabling Community Health Workers and pharmacies to provide access in 15 and 9 countries respectively.

We have also worked to catalyse policy change which makes uptake of SRHR innovation smoother. Our partnership with the WHO and the Self-Care Trailblazers Group has played a crucial role in driving momentum. In November 2024, government representatives from 19 African countries held a historic summit to advance self-care intervention in the continent and work toward achieving universal health coverage by integrating self-care into primary healthcare. Since the launch of the first global WHO SRHR self-care guideline in 2019, which CIFF supported, over 50 WHO member states have adopted it into their national health system.

Building Sustainable family planning access and financing

A growing challenge to reaching universal sexual reproductive health and rights is ensuring sustainable financing and closing the \$1.5 billion commodity financing gap. CIFF has therefore been working to shift the focus to longer-term sustainable financing which gets out of the cycle of funding-short falls.

This past year, CIFF committed a \$100 million investment into commodities with the World Bank Global Financing Facility (GFF) and United Nations Population Fund (UNFPA) Supplies. Whilst significant gaps remain, in 2024, UNFPA Supplies achieved its highest-ever contraceptive spend at \$185 million. The impact can be seen with larger orders being placed by the public sector. Importantly, domestic financing has increased consistently and reached its highest levels ever, increasing by 400% from 2020.

A success story in efforts towards sustainable financing is the leadership of Nigeria. In September 2024, the World Bank Board approved a funding package to support Nigeria's Primary Healthcare Programme. Support by CIFF and partners ensured that additional funding would become available for family planning supplies and services.

CIFF also remains committed to increasing modern contraceptive prevalence through an equity-driven approach across Nigeria, DRC, Burkina Faso, Senegal, Mali and Niger. During UNGA this past year, CIFF committed \$100 million in new funding to the WISH dividend Platform which will support countries to reach or surpass their national Family Planning 2030 targets. Working in partnership with the FCDO, this will enable over 7.7 million women and girls to access their Family Planning method of choice. The work will focus on reaching the hardest to reach: 30% of those living in poverty and 20-30% under the age of 20. There will also be a focus on supporting linkages with sexual-gender-based-violence services.

Together, these efforts underscore our commitment to ensuring that every individual has access to reproductive health services, to unlock individual and global potential, propelling us collectively towards meeting the Sustainable Development Goals.

Global: Nutrition

Children don't experience hunger in isolation, it impacts every other aspect of their life. When a child has the right nutrition, the positive impacts have rippling effects across their health, education, social and economic outcomes. As we enter 2025, nearly half of all deaths of children under the age of five are linked to undernutrition, with the majority occurring in lower- and middle-income countries. This issue is further perpetuated and intensified by economic insecurity and climate change.

The vision of eliminating child malnutrition is within the grasp of governments, institutions and civil society. The question should not be if, but when. We are seeing progress every year: from revolutionising the ways in which we finance nutrition, to scaling evidence-led initiatives and integrating other health and services with nutrition. By accelerating these efforts and deepening our local and global partnerships, we can achieve faster results to bring an end to child malnutrition sooner.

Financing Nutrition

CIFF's work on the Child Nutrition Fund (CNF), a UNICEF-led financing mechanism which spurs multi-sectoral action and encourages governments to invest in nutrition, continued in 2024. In 2024, the CNF continued to incentivise domestic investments in tackling malnutrition, taking the total matched to date to \$27.5 million. This matching mechanism has resulted in double the amount of nutrition commodities countries were able to buy, to the value of \$55 million. The majority of this funding has gone towards providing life-saving treatment with Ready to Use Therapeutic Food (RUTF) to children suffering from severe acute malnutrition in over 15 African and Asian countries. For the first time, in 2024 countries also started to use the CNF match mechanism for the purchasing of Small Quantity Lipid Based Nutrient Supplements, used for the prevention of child wasting.

In continuation of our partnership with CNF, in June we partnered with UNICEF's UK Soccer Aid campaign to match the public's donations whilst raising the visibility of the issue of malnutrition to the wider public. The funds raised through this partnership (\$10 million), alongside co-funding from domestic

government and FCDO resources, were programmed towards a new Child Nutrition Fund programme in Bangladesh that will ensure 60% of all pregnant women in the country have access to Multiple Micronutrient Supplements (MMS), nutrition education and counselling.

"CIFF's partnership with the Child Nutrition Fund is transforming the way we tackle undernutrition. Their support has helped to increase the number of countries we can reach by mobilizing critical financing to strengthen national nutrition programmes and provide life-saving RUTF to nearly one million children. Together, we are driving lasting solutions to ensure that every child and woman has access to the nutrition they

need to thrive."

Saúl Ignacio Guerrero Oteyza, Senior Advisor, Financing for Child Nutrition and Development, UNICEF

Donor coordination and resource mobilisation

Investing in evidence-based solutions and supporting innovation, is the best route towards ensuring women and girls have the agency to make their nutritional choices. MMS, a formulation of vitamins and minerals to support a healthy pregnancy, is an important product for both maternal and newborn health when offered as part of key antenatal services. CIFF's work in Bangladesh is an example of where a self-pay model for MMS for pregnant woman has been extremely effective, in the context of a largely private healthcare system. The past year, over 10% of all pregnant women in the country purchased

locally produced MMS thought this model (over 700,000 women in total-to-date since the product was launched in 2021). In addition to the Child Nutrition Fund approved public sector programming in Bangladesh, CIFF approved new funding to expand the self-pay model to compliment it. As we look to the future, these efforts will be synergistic to drive high coverage of MMS in the country.

In May, CIFF launched, in partnership with the Gates Foundation, the Eleanor Crook Foundation and Kirk Humanitarian, a global investment roadmap to catalyse action and investment in MMS for pregnant women. The roadmap presents a plan to reach at least 260 million women in 45 high-burden countries with MMS at a cost of \$1.1 billion over 7 years, showing the power of innovative products being able to reach scale whilst being cost-effective.

Integrating other key services alongside Nutrition

Synergies with broader health and development approaches and services enables us to work at scale, making it both cost effective for donors and time-efficient for beneficiaries. In 2024, CIFF's partner, the Africa Leaders Malaria Alliance, significantly expanded its work in institutionalising accountability and tracking scorecards for reproductive, maternal, newborn, child and adolescent health, nutrition and quality of care at the community health level across 14 countries in Africa. These countries cumulatively invested over \$78 million in 2024 in response to the recommended actions from these scorecards to improve health and nutrition service delivery and outcomes.

Global: Cross-Cutting

If we want to improve the lives of children in today's interconnected world, the challenges we face cannot be tackled in siloes. No single organisation or individual, regardless of resources, can create lasting change alone - we need to work collectively across different issues and geographies to achieve systemic change.

Cross-cutting work at CIFF refers to our grant-making that does not fall into a specific sectoral area but enables all our grant-making. It includes work that strengthens the operations and approaches of our grantees, as well as connects the dots between different areas of our portfolio and supports our partners to do the same. In 2024, CIFF strengthened our commitment to cross-cutting work through the Organisation and Ecosystem Development team and the Equity, Gender, and Youth team. Working as a centre of excellence, this group of experts provides strategic guidance and support to CIFF staff and our partners. A key part of our cross-cutting work also involves our development finance portfolio – working to strengthen, enhance and better use global financing mechanisms to support our collective development goals.

Ecosystem development strategies and toolkits

In 2024, CIFF launched an organisation-wide ecosystem development strategy, alongside intervention frameworks and tools to map and assess the maturity of civil society ecosystems. This toolkit has been adopted across our portfolio and is helping CIFF and its partners to collaborate with a range of different stakeholders to tackle complex challenges.

The ecosystem development strategy incorporates equity as a key component, building on the success of CIFF's Equity Toolkit. In 2024 we shared lessons from our experience of embedding the toolkit and equity approaches with peer funders and implementers at forums like the UN Commission on the Status of Women, the Skoll World Forum, and within funder communities including Elevate Children's Funders Group, the OECD Network of Foundations, and the Gender Equity Peer Learning Group.

Ecosystem capacity building

Across the year CIFF invested in 12 organisational development projects which strengthened the institutional capacity of key grantees in India, Africa and Europe. Through these different projects, we supported leadership development, governance restructuring, strategy creation, organisation model design, operational and programme effectiveness, and sustainability. We also delivered a capacity building programme on measurement and evidence, which encouraged partnerships and knowledge sharing across the cohort.

Also in 2024, CIFF launched its first-ever Diversity, Equity and Inclusion (DEI) learning and development programme for implementing partners. The outcomes included enhanced understanding and leadership amongst partners' Executive Teams, the design of DEI commitments and action plans, and streamlining of organisational policies and processes to embed equity. It provided grantees with a platform for lateral connections and peer learning, fostering the development of a community of practice, which we plan to replicate across other regions and sectors.

Youth engagement

As an organisation that focuses on children and young people, we are committed to ensuring that young people are meaningfully engaged in issues that affect them. This is not just the right thing to do, but will ensure that the solutions we invest in meet their priorities and needs. This includes providing support for young people to participate in advocacy, policy design and accountability. Teams across CIFF came together to collaborate in the first ever Global Ministerial Conference on Ending Violence Against Children in Bogotá in November and supported meaningful youth engagement within the summit. In addition, CIFF's partner, the Youth Climate Justice Fund, continued supporting grassroots youth-led movements to drive climate action globally. In 2024, they expanded their reach to 70+

grantee partners across 40+ countries, helping young leaders develop climate solutions. We also conducted an organisation-wide review of our meaningful adolescent and youth engagement principles and practices, culminating in the design of new guidance that we will integrate across relevant CIFF programmes and share with our sector.

Development and Climate Finance

To ensure countries facing the worst climate impacts can also achieve their development priorities, finance must be accessible, affordable, and equitable – at scale. In 2024, CIFF and partners focused on unlocking funding and driving financial system reforms to meet this need. This included support for country investment platforms (10 are now operational after CIFF's support to the first platform – the South Africa Just Energy Transition Partnership – started in 2020) and major

development bank reforms, which will unlock \$300 billion over 10 years. Of this, \$50 billion is committed to the IMF Resilience and Sustainability Trust - a key Bridgetown Initiative feature - to help vulnerable nations manage external shocks and achieve sustainable growth.

To build more sustainable, inclusive, and resilient economies, policymakers need independent, evidence-led expertise which can shape policies and inform new approaches. CIFF played a targeted role in helping to establish the Centre of Economic Transition Expertise (CETEx) at the London School of Economics, a global hub of internationally recognised expertise and research on fiscal policy and regulation, to support the climate transition. In 2024, CETEx developed evidenced-based recommendations to adapt UK fiscal rules and policy bank treatment, which could unlock £100 billion of infrastructure spending over the current parliament.

Africa

Creating a future which delivers for young people in Africa cannot and should not be delivered by philanthropies alone. We know this, and it is why every aspect of our work is focused on supporting the development priorities of the countries we work with.

It is also why throughout 2024 we intensified our efforts around creating deep and meaningful partnerships with African institutions and governments for systemic change, with a particular focus on increasing the resilience of communities and elevate opportunities for girls to achieve their full potential and contribute to a thriving self-determining Africa. Through these local partnerships, we can bring to scale innovative programmes and ensure each country in Africa is able to respond to opportunities and the intersecting challenges facing the continent from climate shocks to fiscal squeezes, and socio-economic inequality.

Break the intergenerational cycle of malnutrition in Africa

We recognise the malnutrition challenge as being one that has impacts beyond individual health, including having intergenerational effects on education, economic empowerment, gender inequality and poverty. By partnering across Multilateral Development Banks (MDBs), governments and implementing organisations, we worked in 2024 on our mission to break the cycle of malnutrition, focusing on ending school age hunger.

In 2024, CIFF established a \$100 million Ending School Age Hunger Fund with the Africa Development Bank to build a case for, and unlock, coordinated, sustainable and stable funding for school feeding programmes across Africa. The Fund is anticipated to provide over 300 million meals to school-age children at a cost of \$0.25-\$0.50 per meal. This marks a significant milestone in demonstrating how the partnership between philanthropies and MDBs could unlock additional financing for nutrition in Africa. It also creates a blueprint for other philanthropies to pool their resources and expertise and work towards supporting school feeding in Africa while ensuring sustainability and government ownership.

"Children's nutrition is one of the biggest challenges faced by the continent, and initiatives such as the Ending School Aged Hunger Fund are critical as it will help build a more prosperous future for our children, building hope and opportunities, and unlocking their potential."

*Dr. Akinwumi A. Adesina,
President of the African
Development Bank Group*

Food4Education (F4E) is a great example of a school feeding initiative, which demonstrates the model's impact and scaling capacity. Since our catalytic funding into F4E's model, the organisation has scaled across Kenya with 79.9 million nutritious meals served to children in schools by the end of 2024, improving their educational and nutrition outcomes. Currently, F4E feeds 468,000 children daily, aiming for 1 million children every day by 2030.

Ending 7 Neglected Tropical Diseases in Africa by 2030

2024 was a landmark year in the fight against NTDs as we surpassed the halfway mark of the World Health Organisation's 100-country target set for 2030.

Through coordinated international initiatives, donated medicines, increased funding and innovative public health strategies, the global community is making significant strides towards a world free of NTDs.

Despite significant progress, NTD funding in Africa remains unpredictable and lacks long-term sustainability. Achieving elimination goals requires stable and sustained financing. In 2024, CIFF, in collaboration with Reaching the Last Mile and the Gates Foundation, established the \$500 million Reaching the Last Mile Fund (RLMF). This programme targets the elimination of lymphatic filariasis and onchocerciasis (river blindness) and has already started implementation in 26 out of 39 countries in Africa and Yemen since July 2024. The fund is expected to provide treatment to over 400 million people, accelerating the elimination of these diseases.

In 2024 alone, through CIFF's and co-funders' programmes, 111 million treatments were provided, whereas 81,730 people received sight-saving surgeries. As a result of these targeted interventions and proven strategies, 60 million people across 990 districts no longer require treatment for various NTDs. With just five years remaining until 2030, the year when WHO aims for 100 countries to have eliminated at least one NTD, we look forward to accelerating our efforts alongside partners.

Ending child rape, pregnancy and marriage in Africa

To move closer towards our globally agreed development goals, and for countries to reach their full potential, empowering, supporting and investing in women and girls is crucial.

In 2024, we continued our partnership with CAMFED which reached a total of 135,861 girls by providing them with bursaries and other wrap around services. Our engagements with governments across six countries have paved the way for scaling up our initiatives and ensuring long-term sustainability.

Our work with SHOFCO also continued as we entered into a partnership with Greenland Schools for Girls to support teen mothers to return to and complete secondary school. By the end of the year, SHOFCO had identified 106 girls for support and these girls have been enrolled into the school from January 2025. Additionally, this partnership stopped 1,651 girls from dropping out of secondary school in Kilifi county through provision of bursaries, with 478 girls completing secondary school successfully.

During UNGA, CIFF brought together inspiring and visionary leaders committed to ending child marriage across the continent via an Africa Champions Group Convening. As we look to the future, we look forward to partnering with leaders to mobilise political will, provide resources for girls education, end child marriage, prevent sexual violence and reduce adolescent pregnancies at scale.

Ending preventable deaths of mothers, newborns and children under 5

In 2024, CIFF joined ELMA Philanthropies, the Gates Foundation and Delta Philanthropies in establishing the Beginnings Fund, a philanthropic collaborative that will partner with African governments and organisations to accelerate progress in saving maternal and newborn lives on the continent. Beginnings Fund is a core part of our work in supporting the health of mothers, newborns, and children and will be officially launched in 2025.

The fund will invest in evidence based, high impact interventions to lower maternal and newborn mortality and stillbirths in 9 high burden African countries.

Accelerating a Just Transition for Africa to Drive Clean Growth

Across the continent of Africa, we worked closely with partners on research, pilot projects, capacity building, and best practice sharing, as we continued to accelerate a just transition and drive clean and resilient growth – the key driver for rising prosperity across the continent.

By supporting the Africa Climate Foundation (ACF), we have enabled ACF's work on Just Energy Transition Partnerships (JETPs) which includes direct technical assistance to governments. JETPs support the country's self-defined pathway to economic growth and job creation, alongside a fossil fuel transition - however, JETP actions are complex, and unlocking clean growth pathways will continue to be both an opportunity and a challenge.

In 2024, Africa made significant steps in its clean growth agenda, with South Africa leading the way through its JETP. In 2024, this enabled the South African Independent Power

Producers to increase renewable energy and South Africa's clean energy commitments have increased from \$8.5 billion to \$11.6 billion.

This commitment to clean energy transition has also remained a priority in several countries including Nigeria, where ACF has been providing technical assistance. In 2024, the Nigerian Ministry of Finance established the Green Growth Economic Plan, which included establishing a Green Growth Office to institutionalise climate-focused strategies. The Nigeria Wind Energy Council last year launched a comprehensive wind resource database. This initiative is set to attract significant investments in Nigeria's wind energy sector in the near and medium-term. In Senegal, ACF has partnered with civil society organisations to strengthen non-state actors capacities to effectively support Senegal's JETP implementation by combining research, lessons and grassroots engagement.

Scaling Sustainable Investments for Africa's Development

In 2024, CIFF launched two transformative platforms—the Africa Capital Hub (ACH) and the Africa Social Impact Exchange (ASiEx) —to redefine how development finance is structured, mobilised, and deployed for impact across Africa.

The Africa Capital Hub, launched in partnership with UBS Optimus Foundation and Bankers Without Boundaries (The Investment Bank for Earth), has established dedicated resources in Kenya and Tanzania, with a near-term goal of mobilising \$300 million in SDG-linked investments. ACH is set to transform Africa's development financing ecosystem, ensuring sustainable government-led investment models with an ambition to unlock \$1 billion by 2030.

Meanwhile, the ASiEx, addresses market fragmentation and financing inefficiencies in social investment. Designed to unlock catalytic funding and bridge Africa's financing gap, ASiEx combines blended finance solutions, investment readiness, and impact measurement to direct capital towards scalable, high-impact solutions. The ASiEx Catalytic Pooled Fund is targeting \$200 million, unlocking \$2 billion in development capital, reinforcing CIFF's leadership in reshaping Africa's investment landscape. These initiatives position CIFF at the forefront of leveraging catalytic capital, unlocking private and philanthropic investments, and ensuring Africa-led, scalable financing solutions.

"CIFF had a vision for an African Philanthropy to open new vistas of opportunity on development and climate. ACF has just celebrated its 5th birthday on 1st April 2025 - CIFF has been on this journey from the start. A key moment in the ACF/CIFF partnership was the successful establishment of the first country investment platform - the South Africa Just Energy Transition Partnership (JETP) which has fundamentally shifted the way we deliver NDC and growth ambitions in emerging and developing economies, globally."

Saliem Fakir, Founder and Executive Director of the Africa Climate Foundation

India

India recently laid out its 'Viksit Bharat' roadmap to become a developed nation by 2047, focusing on transformative growth across the economy, infrastructure, healthcare, and education. The plan emphasises evidence-based interventions and measurable outcomes through coordinated action between government, civil society, and private sector partners.

CIFF is partnering with both national and state governments to advance India's vision of Viksit Bharat. In 2024, we achieved remarkable results through several of our long-standing programmes, which, if scaled-up nationwide, have the potential to make a significant impact on India's growth and development.

Setting Up Girls for Success in India

India is making significant strides in education through initiatives that focus on access, quality, and life skills development. CIFF has worked in partnerships with governments, civil society organisations, and the private sector to further India's education and skilling priorities to ensure positive outcomes for all.

Breaking barriers in education, Educate Girls, a 2019 Audacious Project recipient, partnered with state governments and achieved its ambitious five-year target of bringing 1.56 million girls back to school across 30,000 villages in Bihar, Madhya Pradesh, Rajasthan, and Uttar Pradesh. Beyond enrollment, Educate Girls focused on improving learning outcomes and ensuring that schoolgirls can read, write, and solve maths

problems confidently.

Building essential life skills, the Life Skills Collaborative (LSC)—a practitioner-led initiative of 18 organisations—created pathways for development of India's youth. Featured in the Government of India's latest Economic Survey, LSC provided governments and nonprofits with India's first life skills glossary which included contextual definitions of life skills, assessment frameworks, and insights from young people, parents, and teachers across states, ultimately reaching 30 million young people.

Accelerating Women's Economic Empowerment in India

The Skill Impact Bond (SIB), led by the National Skill Development Corporation under the Ministry of Skill Development and Entrepreneurship, is the world's largest impact bond on skilling that aims to transform the skilling and employment landscape in India by focusing on job retention, particularly for women.

Since its launch in 2021, CIFF supported SIB as a one-of-a-kind public-private partnership model in India that has trained over 20,000 young women across 16 states. Of these, approximately 16,000 women have been placed in jobs in aspirational sectors, with nearly 60% completing more than three months in employment, demonstrating the programme's significant impact.

In recognition of its success, SIB was highlighted as an innovation in the 2024 Indian Economic Survey Report. CIFF's

founder, Sir Chris Hohn, met with Shri Jayant Chaudhary, Minister for Skill Development and Entrepreneurship, where they discussed SIB's impact and expansion of results-based financing with the Government engaging as an outcome funder.

Breakthrough in Solving India's Persistent Low-Birth Weight Challenge

Low-birth weight remains a critical health challenge, putting infants at higher risk of poor health and developmental outcomes. In 2024, two evidenced-based solutions showed promising results in tackling this challenge: single-dose Intravenous (IV) iron therapy; and a programme combining cash transfers with nutrition counselling to enable pregnant women and breastfeeding mothers to eat more and to eat healthy.

A clinical trial in Rajasthan and Karnataka demonstrated that a single dose of IV iron reduced low birth weight in newborns by 13% compared to traditional oral supplements. It also proved significantly more effective in treating anemia: while over one-third of women didn't improve with oral supplements, just 18% showed no improvement with IV iron. The Government of India officially approved the use of IV iron during pregnancy thereby making it possible for a large number of pregnant women to access this evidence-based treatment for better health outcomes for themselves and their babies.

The government's cash transfer programme has reached over 3 million pregnant and breastfeeding women in Rajasthan, enabling them to purchase nutritious meals. An independent evaluation conducted in 2024 across five of the most vulnerable districts in Rajasthan, studying the impact of cash transfers over three years, showed more than two-fold increase in weight gain during pregnancy and a 21% reduction in low-birth weight cases, with an estimated 21,000 low birth weight cases averted. The programme's success has generated interest across India, with Rajasthan now sharing these best practices with other states for scaling it up nationwide.

"The collaboration will provide technical support to improve maternal and child health services, strengthen the state's family planning programme, and facilitate the achievement of sustainable development goals related to maternal and child health over the course of five years."

Gayatri Rathore, principal secretary (health), Rajasthan on signing an MoU with CIFF.

Accelerating the Climate Transition in India

Evidence shows that climate-friendly growth could significantly boost India's GDP. As the country strives to become a developed nation by 2047 and achieve net-zero emissions by 2070, it needs an average growth rate of 8.5% over the next two decades while transitioning key sectors—energy, industry, transport, and agriculture—toward cleaner alternatives.

Through the Sub-national Climate Resilient and Clean Growth Transition initiative, CIFF is adopting an ecosystem approach that brings together government, funders, and local nonprofits to advance clean growth pathways. Initially focusing on six states that account for half of India's GDP and emissions, this collaborative effort aims to balance economic development with environmental sustainability.

CIFF is also supporting the International Solar Alliance (ISA), with India leading the charge, alongside France, in driving global solar adoption. At home, India's policies have been key to accelerating solar uptake, including the 2024 PM Surya Ghar Muft Bijli Yojana (Rooftop Solar Scheme), which allocates \$8.7 billion to provide solar power to 10 million households. In Uttar Pradesh, CIFF-backed efforts have driven widespread rooftop solar adoption, particularly in Varanasi, where nearly 40% of households have installed RTS systems—the highest in the state. India's push for solar adoption reflects a broader wave of policy innovation driving the country's clean energy transition—with renewable energy capacity doubling over the past decade and electric vehicle sales climbing from just 1% in 2020 to 8% in 2024.

Domestic Philanthropy catalysing impact in India

The Indian philanthropic landscape grew by 10% in 2023-24 (compared to a 5% annual growth between 2018 and 2023), reaching \$14.4 billion, with domestic philanthropy accounting for 81% of private giving. With the donor base expanding, Indian philanthropy can catalyse transformative change by supporting the Government in testing innovative solutions and preparing them for scale. CIFF is deepening engagement with domestic donors and building philanthropic infrastructure like the Collaboratives Resource Hub that enables strategic partnerships between donors, implementors, and other ecosystem players in the development sector.

East and South- East Asia

In East and South-East Asia, our work is focused on tackling climate change. Responding to the crisis in this region is critical due to high emissions and the region's acute vulnerability to climate change.

Supporting China's decarbonisation and accelerating the rate at which this happens is essential if we are to meet global climate targets - this is why China is a key focus of our work in the region. We work closely with partners on research, pilot projects, capacity building, and best practice sharing, whilst building international bridges for climate dialogue and collaboration for a more sustainable future.

Renewable Energy Development

China is currently at a stage where its greenhouse gas emissions are peaking. This means that emissions will soon stop increasing and begin to decrease, which is a critical step towards achieving global climate goals. Despite this progress, there are still significant challenges to overcome, as China, like many other countries, remains heavily dependent on fossil fuels. However, China has made substantial advancements in its transition to clean energy.

For instance, throughout 2024, China installed over 350GW of wind and solar, an increase of ~34% year over year, with wind and solar capacity surpassing national targets six years ahead of schedule. As of early 2024, China's combined wind and solar capacity exceeded that of coal power, which marked

a major milestone in the country's efforts to transition energy production away from fossil fuels. CIFF partners have assisted this progress, closely supporting transition roadmaps, technical analysis, mechanism design, and market-based solutions to accelerate the shift to renewable energy.

In 2024, CIFF partners also played a key role in Japan and South Korea's renewable energy progress, providing data analytics, scenario modelling, and policy recommendations. Both countries have climbed the global ranks, now standing 4th and 10th in solar generation respectively. Meanwhile, CIFF partners provided underpinning analyses and technical assistance to accelerate renewable investment in South-East Asia which reached \$8.5 billion in 2024, a 37% rise from the previous year. Of the invested volume, \$1.5 billion was for wind projects, a 75% increase from 2023.

Climate finance

In 2024, we saw Japan issue the world's first sovereign climate transition bonds, designed to incentivise the private sector to transition away from investing in carbon-intensive, fossil fuel-centric production to funding decarbonized manufacturing. Japan has committed to issuing some ¥20 trillion (\$133 billion) of GX Green Transformation bonds over the next decade. CIFF's partners helped advise this initiative and provided technical support.

Furthermore, the first dedicated administrative regulation on China's Emissions Trading Scheme (ETS) came into effect in 2024, and the country's carbon market was announced in the same year to be expanded to cover high-emission industrial sectors of steel, aluminium and cement, raising the share of national CO₂ emissions covered by the market from 40% of China's total to 60%. CIFF partners supported the development of ETS through stakeholder preparedness, technical assistance on methodologies, and practice sharing.

Building consensus towards climate goals

With China's shift to "dual-control" of total CO₂ emissions and carbon intensity, CIFF partners provided technical expertise and shared global best practice through platforms like China Council for International Cooperation on Environment and Development (CCICED) to support China's carbon-neutral future at both national and sub-national levels. We also supported multiple dialogues on global south cooperation on green development through platforms like the BRI International Green Development Coalition (BRIGC) at COP29 and other international moments to build international consensus and share solutions towards the global climate goals.

Electric Vehicles (EV)

Electric vehicles present an important global opportunity to transition to lower environmental impact alternative, without having to shift behaviour habits. CIFF's partners provide recommendations and technical advice to support EV roll-out, including standards, charging infrastructure deployment and pilots on prioritised right of way, in multiple geographies. They have also supported countries to improve vehicle-grid integration

and battery supply chain decarbonisation. The success of the EV market in China is a strong example of uptake of a green-aligned technology and has made EVs more accessible globally. China's EV penetration rate in passenger vehicles exceeded 50% from July 2024, with the number of charging poles increasing by 50% year on year, which strongly supports the expansion of the EV market. CIFF partners are also supporting the collaboration between China and Indonesia on sustainable EV supply chains.

"China's low-carbon transformation plays an important role in the global response to climate change and sustainable development, and its policy and technological solutions will also provide valuable experience for the green development of countries around the world. As an important partner of the Energy Foundation China, the Children's Investment Fund Foundation (CIFF) works with us to support systematic research and typical local pilots of energy transition in China. We look forward to helping accelerate progress in China and the world towards a clean, green, safe, prosperous, and inclusive future!"

*Professor Ji Zou,
CEO & President of Energy
Foundation China*

Europe

Throughout 2024, our work in Europe focused on driving the climate transition by reducing emissions, expanding renewable energy, and strengthening our ecosystem of partners. While the socio-political landscape has become more challenging, with increased climate backlash across the continent, Europe remains a global leader in sustainability.

Energy transition

2024 saw tangible examples of progress. Analysis showed that EU greenhouse gas emissions dropped by 37% and UK emissions by 53% since 1990, largely driven by the UK's coal phase-out and investments in sustainable energy. In addition, the EU's electricity generation from wind and solar hit a historic high, rising from 27% in early 2023 to 30% in 2024. Our key partner in Europe, the European Climate Foundation (ECF), has

been working with the ecosystem to drive a clean industrial transformation and an economy-wide shift to clean power and renewable energy infrastructure across the continent.

ECF works closely with partners in the UK. In July, the UK Government lifted its ban on onshore wind farms and committed to doubling Britain's current onshore wind capacity by 2030— a milestone supported through advocacy by ECF's partners¹. Furthermore, in September, the country's last coal power station, at Ratcliffe-on-Soar, was closed, marking the end of the UK's 142-year reliance on coal-fired electricity and underscoring the nation's accelerating transition toward a cleaner energy future.

Nature and Air Quality Policy

In June, the EU took a major step in restoring nature with the adoption of the Nature Restoration Law, the first comprehensive, continent-wide legislation of its kind. The law sets binding targets to restore 20% of land and sea by 2030 and nearly all degraded ecosystems by 2050—an achievement made possible years of collaboration between stakeholders across Europe.

Alongside nature, the EU also advanced ambitious air quality goals. The adoption of the EU's Ambient Air Quality Directive has doubled Europe's air quality ambition and will greatly contribute towards reducing pollution-related premature deaths by at least 55% by 2030 across the EU. This was shaped and

"Europe's climate leadership is not a burden, but a strategic asset. Doubling down on the green transition will help secure its economic edge, strengthen energy security, and reinforce its global standing."

*Laurence Tubiana
(CEO of the European
Climate Foundation)*

¹ Progress on climate action - European Commission ²
UK half way to net zero - GOV.UK

accelerated with the support of CIFF's partner, the Clean Air Fund. Their work has been instrumental in mobilising civil society voices and driving national momentum around clean air.

Clean Air Fund's support for civil society in Poland has played a major role in securing improved air quality. In cities, our partners' advocacy enabled the replacement of old coal-fueled stoves in residential homes with modern heating installations.

*Jane Burston
(CEO of the Clean Air Fund)*

Urban and Sub-national level work

Tackling the climate crisis requires action at every level, and cities—responsible for over 70% of global emissions—are uniquely positioned to drive rapid, scalable change through bold leadership and local solutions. In Europe, CIFF's partner C40 now brings together over 18 member cities, representing around 48 million residents. Between 2015 and 2024, these cities achieved a remarkable 23% reduction in per capita emissions and introduced 235 high-impact climate policies, including new rules to ensure buildings are zero carbon, the use of electric vehicles in city services, and the introduction of climate-focused budgeting across city departments.

Furthermore, cities across Europe have taken tangible action for clean air in 2024 with two low emissions zones for transport implemented in Warsaw and Sofia, the launch of the Limited Traffic Zone in the Paris city centre, and the upcoming launch of a LEZ for heating in Sofia - the first of its kind in Eastern and South East Europe. These achievements underscore the power of urban leadership to deliver real, measurable progress in the fight against climate change.

Strategic Report

Strategic Report

Introduction

2024 was a pivotal year for CIFF as we updated our strategic approach to better serve our charitable objectives and keep focused on our long-term goals during a time of urgent global need. By moving to a two-year business plan and structuring our work around specific missions, we are focusing on the outcomes of our work whilst giving ourselves and partners greater flexibility to adapt to changing needs. This strategic shift positions us to help bridge divides, foster meaningful alliances, and demonstrate how philanthropy can be a stable force for systemic change.

Our operational model has been evolved in close partnership with our People team to ensure that staff wellbeing is centered in the decision making needed to support this transition. By moving to a two-year business plan, we can simultaneously ease workloads for CIFF colleagues and partners, whilst still making ambitious and urgent impact through the work we do. As we continue our work to help solve problems rather than simply make grants, we are excited at the prospect of accelerating progress towards the Sustainable Development Goals and the Paris Climate Agreement to foster a world where all children can thrive.

People and Culture at CIFF

Achieving our charitable objectives will only be possible if we nurture our people and our culture. That's why our aspiration is to build world-class talent and capability, providing an environment where all members of the CIFF family can be at their best and realise their full potential.

Efficient and effective resourcing

As referenced in our Chair's and CEO's letters (pages 2-5), Sir Chris' donation has enabled CIFF to scale our philanthropic commitments, from \$577 million in 2023, to \$923 million in 2024. This scale of ambition has, therefore, required the implementation of significant internal, functional changes, at pace. These changes impacted the majority of teams, with more than 70% of staff being part of this change transformation. This included team realignment and new senior roles appointed in programme teams to maintain and improve operational mastery and ensure the organisation can achieve impact at this greater scale.

Throughout this time, employees continued to demonstrate high levels of passion and engagement in their work. Along with this change, we prioritised the smooth onboarding of new joiners along with the development and promotion of outstanding existing talent.

Capability and performance building

A critical part of our people workstream was the roll-out of a bespoke two-year learning and development (L&D) plan centred around nine critical capabilities. The initial focus has been on operational strength, incorporating cost optimisation and financial literacy. As well as specific capabilities the plan is also focused on helping catalyse the necessary mindset shifts required for an organisation working on a greater scale; for instance, helping everyone to view their work through an external lens.

The core L&D bespoke facilitated skills programmes are central to overall learning at CIFF - these include programmes on coaching skills, board membership, effective relationships and communication skills. The coaching approach works to enable staff at CIFF to develop critical leadership behaviours around solving problems with agility, thinking and acting strategically, and driving quality execution and accountability.

Empowering our Talent

Empowering our talent through clarity of roles and decision making has been critical in 2024. To support the change process outlined above, our internal communications approach ensured there was consistent understanding of CIFF's objectives and long-term strategy. Additionally, a focus on enabling opportunities for growth and transparency of internal job opportunities was key last year.

As part of our aspiration to strengthen the CIFF family, a priority for us in 2024 was developing a bespoke, structured 360-degree feedback process which was undertaken by the Executive Team and will be rolled out to the full director cadre in 2025. This tool is centred on our code of respect, focusing on collaboration, creating a culture of trust and communicating with integrity.

Safeguarding

We are set on promoting the highest standards of safeguarding to ensure the well-being and safety of all individuals involved in our organisation directly, but also individuals who are part of our programmes and activities. At CIFF, safeguarding is not just a policy – it is a promise.

In 2024, we made significant additional strides in strengthening this promise, thanks to the collective dedication of our teams, partners, and stakeholders. Together, we reinforced our commitment to child and adults-at-risk safety, integrity, accountability, and impact across every programme we support.

A major milestone this year was the successful completion of a rigorous round of safeguarding Quality Assurance checks across our portfolio. These reviews were more than a compliance activity – they were a meaningful exercise in accountability, helping ensure that all CIFF-supported environments are safe, respectful, and protective for children and people at risk.

Alongside these checks, we responded to and learned from safeguarding concerns with urgency, care, and humility. Each incident reinforced the importance of continuous learning, and we've already begun sharing insights with our Board. These lessons are now being embedded into central and local training initiatives – starting in our Kenya and Ethiopia offices, and soon to be rolled out in India and China.

Diversity, Equity and Inclusion

During these challenging times, we remain steadfast in our belief that all people deserve dignity, respect, and inclusion, regardless of their background or identity. Harassment or discrimination based on any protected characteristic is not tolerated under any circumstance and we work to further embed these values internally at CIFF as well as learn and share resources with our partners.

Diversity, Equity and Inclusion is a core pillar of our business – it's both the right thing to do and makes our work more impactful, credible and sustainable, for us and the individuals and communities we serve. In addition to our internal work, we are committed to embedding equity across our grant-making and partnerships.

Looking Ahead

Looking to 2025, we will focus on embedding the changes delivered last year, so that CIFF is able to continue scaling and supporting the work of our partners. We will continue to incorporate the voice of our staff in improving our culture, practices, learning and impact, through our many feedback channels, including the Employee Forum, which includes representatives from all teams, job grades and geographies.

Section 172

In preparing the Strategic Report, the Trustees have considered their duty to promote the success of the Foundation under section 172(1) of the Companies Act as interpreted in accordance with section 172(2) given the foundation's charitable objectives. As such, the board confirms that in its decision-making, it considers:

- Long-term consequences
- The interests of employees
- The public benefit of the Foundation's work
- Impacts on the community and the environment
- Maintaining a reputation for high standards of conduct
- The need to foster relationships with suppliers and grantees

In making decisions about ClIFF's charitable work, the Trustees consider many factors and most importantly, in relation to its grant-making activities, the opinions and advice of independent experts appointed to its Investment Committees (as described further below). Grant-making activity is also informed through regular engagement with grantees (including through a bi-annual grantee survey), who are encouraged at all times to raise issues or concerns. These are relayed to the Trustees (and other advisors) through regular portfolio review meetings.

During 2024, the Foundation's Investment Committees and Board continued to make decisions to support the Foundation's long term charitable strategy and objectives. In doing so, the Foundation has had to diligently and proportionately anticipate and adapt to changes in the global economy, including inflation and higher interest rates, and their interplay with political decisions related to development funding in both developed and developing countries. The Investment Committees and Board use real-time information and expert advice to understand how these factors impact the Foundation's finances, investments and programmes, including impacts on grantees' operations and ultimate beneficiaries.

In this challenging environment the Foundation is happy to have increased its charitable grant disbursements in 2024 to US\$631 million (2023:US\$578 million). In addition, in 2024, TCI Fund Management Limited signed a grant letter with the Foundation for a US\$320 million donation which will support the implementation of the 2025-26 business plan.

The Trustees also regularly rely on the advice of external charity lawyers regarding regulatory and other matters related to the management and operation of the Foundation. This advice is received from experts that can advise on modes of governance, operations and transactions in a manner that fully reflects regulatory requirements, Charity Commission guidance and general best practice. Appropriate legal and other technical advice is also sought from local experts in relation to the Foundation's overseas operations and programmes to ensure compliance with all applicable rules, regulations and guidance. This advice, as well as advice from the General Counsel is relied upon by the Board in making decisions that ensure the Foundation's reputation for high standards of conduct are maintained.

The Foundation's General Counsel and Global Head of Compliance provide the Board with updates on any incidents that take place in the context of the Foundation's work at every Board meeting. Legal and Compliance are also integrally involved in all programmes that the Foundation develops and implements to ensure the highest standards are maintained.

The People team gather insights from employees via multiple channels including surveys and discussion forums, covering a broad range of topics such as wellbeing, remuneration, job satisfaction and culture. The insights are shared where appropriate with the Board and Remuneration Committee to support decision-making and to ensure that Trustees have a high level understanding of achievement against our key people metrics and ultimate delivery of our people strategy.

Engagement with stakeholders is integral to developing and executing on our strategy to achieve its charitable objectives. The voices of ClIFF's beneficiaries, grantees, partners and employees are not only heard but promoted to increase the effectiveness of its work for the public benefit. These voices form part of the Foundation's commitment to continual learning and development, in the context of specific charitable programme objectives but also in terms of how the Foundation operates and its aim to address matters such as diversity, equity and inclusion in all its work.

The Foundation is committed to creating a workplace where everyone can bring their authentic selves to work every day, and upholding dignity and respect for all individuals, underpinned by our Code of Respect. We are continuing our work and learning, informed by many stakeholders from employees to grantees and beneficiaries, in relation to diversity, equity & inclusion, and harassment or discrimination will not be tolerated. All employees have received (and continue to receive) information and training on these issues both internally and through third party experts and advisors.

Reducing the climate impact of our operations

We are committed to reducing our carbon footprint in line with best practice guidance and regulation.

CIFF's Climate Transition Plan

CIFF is committed to producing a Climate Transition Plan (CTP), which is nearing completion. Board approval and publication on our website is expected later in 2025. The plan will incorporate our ambition to reduce carbon emissions, baselines for measurement, implementation strategy and governance. The plan has been produced following best practice guidelines with feedback received from third party experts.

Current approach

For the purposes of this year's annual report, we have adopted best practice measures from the array of guidance. We continue to: a) independently measure our emissions, b) take action to reduce our operational carbon footprint, and c) purchase high-quality carbon credits as contribution to a global net zero goal. In purchasing these credits, we do not make any "carbon neutral" claim or similar that might imply a net reduction in our carbon footprint. We also recognise wider consideration of the Foundation's value chain is required to fully assess the environmental impact. Given a significant portion of our value chain's environmental impact is the financed emissions associated with our endowment investment portfolio, we are continuing to report on emissions in relation to our public equity positions.

Operational emissions

Independent Measurement

CIFF has appointed Carbon Footprint Ltd to independently assess its Greenhouse Gas (GHG) emissions for our buildings and operations in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

We have been assessing our carbon emissions with the support of Carbon Footprint since 2019, including backdated estimates to aid the purchase of carbon credits back to July 2016. The table below summarises the GHG emissions of our buildings and the majority of our operations for reporting year 2024 together with prior period actuals.

Activity	January to December 24	January to December 23
Total energy consumed (kWh)	90,423	131,180
Total Gross Location-Based Emissions (tCO ₂ e)	3,480	3,508

Methodology and Calculation Changes

There have been no changes to any of the methodologies in 2024.

Reductions

All planned future reductions are now included in the Climate Transition Plan.

Contribution

CIFF will continue to purchase high-quality carbon credits, in line with our Climate Transition Plan (CTP). The volume of carbon credits purchased is calculated by adding our buildings and the majority of our operations emissions for the past year, plus the estimated emissions for the coming year, plus 8% as a buffer. In purchasing these credits (high quality removals (DAC), European Emissions Tradition Scheme Allowances (EUA) and high-quality voluntary carbon markets credits), we do not make a “carbon neutrality” claim or any claim that signifies a reduction in our carbon footprint or substitution for internal emission reductions. For now, these credits are purchased as a financial contribution towards high-quality development, in support of market-based mechanism for sectoral emission management and breakthrough technologies that are all contributors towards a global net zero goal. Over time, the weighting of our credit purchases will likely shift to a balanced portfolio of DAC and voluntary credits that reflect our geographical footprint and are in compliance with the Core Carbon Principles (CCP) developed by the Integrity Council for the Voluntary Carbon Market (ICVCM). Delivery against our short-term emission targets (up to 2030) will not depend on the use of carbon credits. Any future claims required to achieve our 2050 net zero ambition will be aligned with best practice guidance and regulation and will depend on us having made all possible efforts to reduce emissions first, including through adequate capital allocation and active engagement with value chain, industry, and government stakeholders.

Carbon emissions for CIFF buildings and operations have been calculated for the period from July 2016 to December 2024 and estimated for 2025, totalling 23,420 tCO₂e. In addition to 19,320 tCO₂e of carbon credits purchased in previous years, during 2025 CIFF purchased 4,100 tCO₂e of high-quality carbon credits.

This year, we have purchased a mixed portfolio of credits derived from voluntary and regulated markets, as well as direct air capture removals (DAC). The voluntary credits purchased are either already CCP-compliant or presently under assessment by ICVCM (see table below). This portfolio reflects our view that voluntary carbon markets can provide a valuable source of finance for nature, local communities, and permanent removals. It also reflects our view that regulated markets have a critical role to play in ensuring the integrity of carbon markets.

Given these considerations, we have chosen to purchase credits from: i) a CCP landfill gas project in Brazil that will provide co-benefits to the community along with emissions reductions, ii) an afforestation project using native species in Panama iii) emissions allowances from the EU Emissions Trading System (EU ETS), and iv) high-quality direct air capture (DAC) removals. It is unlikely that any of the credits purchased are associated with CAs given that neither Brazil nor, Panama, have formalised their stance on CAs or have frameworks in place to provide Article 6 authorisations and apply CAs.

Volume of credits purchased	526	715	809	1,900	150
Certification standard name	Gold Standard	Gold Standard	Gold Standard	EU ETS Allowances	Climeworks
Project Name	Ecoparque João Pessoa Landfill Gas Project	Ecoparque João Pessoa Landfill Gas Project	Planting Biodiverse Forests in Panama	n/a – purchased via Climate Footprint	Climeworks Direct Air Capture Removals
Project ID	GS12045	GS12045	Marketplace	n/a	n/a
Retirement serial number	GS1-1-BR GS12045-21-2022-26424-1-526	GS1-1-BR GS12045-21-2023-26425-1-715	GS1-1-PA GS2940-21-2017-20667-109999-110807	n/a	n/a*
Retirement date	12/05/2025	12/05/2025	12/05/2025	07/05/2025	n/a*
Issuing Registry for credits used	Gold Standard	Gold Standard	Gold Standard	EU ETS Union Registry	n/a
Host country	Brazil	Brazil	Panama	n/a	Switzerland
Credit vintage	2022	2023	2020-2022	n/a	n/a
Methodology/ project type	ACM0001 Flaring or se of landfill gas	ACM0001 Flaring or use of landfill gas	Afforestation / Reforestation GHG Emissions Reduction & Sequestration Methodology	n/a	Climeworks/DNV removals methodology (pending certification)
Methodology approved in alignment with ICVCM's Core Carbon Principles	Yes	Yes	Under review	n/a	n/a
Whether or not the carbon credit is associated with corresponding adjustments (as evidenced by authorization and authorized use) by the host and/ or buyer country	[No – we confirm that the mitigation underlying the carbon credit may also count towards the host country's Nationally Determined Contribution]	[No – we confirm that the mitigation underlying the carbon credit may also count towards the host country's Nationally Determined Contribution]	[No – we confirm that the mitigation underlying the carbon credit may also count towards the host country's Nationally Determined Contribution]	n/a	[No – we confirm that the mitigation underlying the carbon credit may also count towards the host country's Nationally Determined Contribution]
Whether or not the carbon credit is associated with any third-party certification regarding social or environmental integrity (e.g., SDG label)	Certified SDG Impacts: 8, 7, 13	Certified SDG Impacts: 8, 7, 13	Certified SDG Impacts: 8,12,13,15	n/a	n/a

* These are advance purchases of DAC credits, which will be realised within six years.

Investment portfolio

CIFF has an investment portfolio of \$6.1 billion as at 31 December 2024 that finances our charitable expenditure. CIFF's endowment is subject to restrictions to ensure we remain invested in companies that are not working against CIFF's ethical values. Find out more about our Investment Policy on page 39.

CIFF supports in principle our investment manager where they actively engage companies we invest in to mitigate climate change and support the transition. We are supportive of the work our investment manager has completed to date, such as seeking greater disclosure of greenhouse gas emissions, encouraging the implementation of climate transition plans and in some instances filing shareholder resolutions.

The outcome of our investment manager's engagement, which we value as a key enabler to reducing climate change, is not depicted by the reporting of our financed investment emissions, however following best practice guidance we continue to disclose financed emissions below.

The investment portfolio is actively managed to deliver real-world emission reductions. While our current financed investment emissions are reflective of the sectors in which these investments sit, our investment manager actively engages all holdings to disclose and implement climate transition plans (aligned with credible science-based benchmarks where available). ClIFF will continue to support the development of sectoral benchmarks across all sectors of the economy and independent assessments of plans and performance through our grant-making to strategic partners, such as CDP and Climate Arc. This will further enable our investment manager to accelerate emissions reductions by incorporating such assessments into the active management of our portfolio.

We are supportive of our investment manager's ESG policy (more details available [here](#)), including their approach to assessing climate risk and active engagement with companies in the publicly traded equities portfolio. ClIFF has adopted a responsible investment guideline (see [here](#)) adopted by the Trustees in recognition that certain investments would be in contradiction with our Charitable Objectives, and therefore we have prohibited their presence in ClIFF's endowment portfolio. Beyond those, the management of the ClIFF portfolio prioritises active stewardship (see our investment manager's past ESG engagements [here](#)) over divestment to facilitate actual emissions reductions across the real-economy, however the investment manager will evaluate divestment (above and beyond those prohibited by our ethical guidelines) as an option where a company in the portfolio refuses to disclose emissions or develop and implement a credible climate transition plan to reduce their emissions.

The ClIFF investment portfolio is made up of public equities (2024: 74% of investments, 2023: 77%) together with unlisted debt, equity, and fund investments. The availability and accuracy of emissions data for unlisted investments are limited, therefore the reporting only includes public listed equities. We will continue to investigate approaches to capture emissions for the remainder of the investment portfolio with the aim of continuing to enhance our emissions reporting annually.

For our public equities, we recorded a scope 1 and 2 emission footprint at 42,540 tCO₂e as of 31 December 2024 (2023: 61,351 tCO₂e) which is significantly below the emissions of the MSCI World Index proxy benchmark for a portfolio of the same size at 188,704 tCO₂e (2023: 197,518 tCO₂e.). The emission footprint calculation is based on guidance set out by the Partnership of Carbon Accounting Financials (PCAF) and emissions data collected directly from company financial statements for reporting period 31 December 2024 or where the reporting period is not aligned, the closest reporting to 31 December 2024 that is available.

Financial Review

Five-year summary of income and expenditure

Summary of income and expenditure

	2020	2021	2022	2023	2024
	US\$m	US\$m	US\$m	US\$m	US\$m
Incoming resources	97	29	72	299	304
Net Investment gains/(losses)	430	695	(488)	1,021	638
Total incoming resources including recognised gains / (losses)	527	724	(416)	1,320	942
Investment management costs	(14)	(19)	(15)	(12)	(12)
Charitable activities	(369)	(828)	(491)	(549)	(640)
Total resources expended	(383)	(848)	(506)	(561)	(652)
Net movement in funds	144	(124)	(922)	759	290

Summary of assets and liabilities

	2020	2021	2022	2023	2024
	US\$m	US\$m	US\$m	US\$m	US\$m
Fixed Assets	5,973	5,909	5,129	5,901	6,153
Current assets	232	454	189	159	107
Total liabilities	(200)	(481)	(359)	(343)	(251)
Total assets less Total liabilities	6,005	5,881	4,959	5,717	6,009

Summary of financial and operational information

	2020	2021	2022	2023	2024
Grant disbursements (US\$m)	344	468	530	578	631
5-Year disbursement ratio*	4.8%	5.4%	6.6%	7.7%	8.9%
Average headcount (FTE)	132	167	195	211	225
Operating expense as a % of disbursements**	9.1%	8.3%	7.8%	7.7%	7.9%

* The 5-year disbursement ratio is defined as the average spend divided by the average assets over a 5-year rolling period.

** For this ratio, operating costs do not include the exceptional expenses included in 2020-2024.

Charitable activities

The Foundation committed US\$640 million to charitable activities (2023:US\$549 million), which consisted of US\$584 million of charitable grant commitments (2023:US\$500 million), US\$7 million of activities undertaken directly (2023:US\$5 million) and US\$49 million of operating cost (2023: \$44 million).

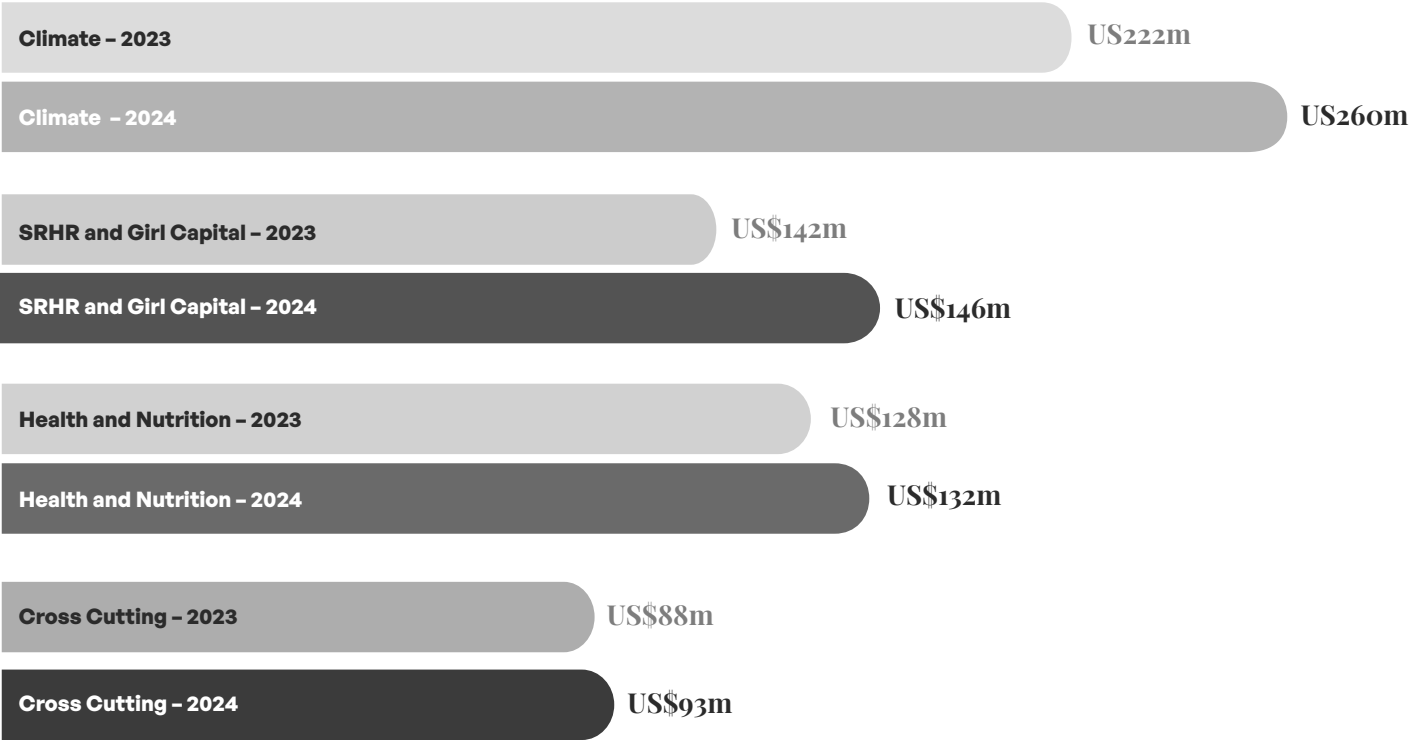
Activities undertaken directly (DCA)

The direct expenditure of US\$7 million (2023:US\$5 million) on charitable activities was mainly to further CIFF's mission by convening conferences and events, providing technical assistance and training to grantees and other charitable organisations, and publishing and disseminating research findings.

Grant disbursements

The Foundation made US\$631 million of charitable grant payments in 2024, which is the seventh successive year of increased disbursements and represents a 9% increase on the prior year (2023: US\$578 million). The chart below shows the grant payments made in 2024.

Charitable grant payments by sector: (USD\$m)



Total Payments US\$m

2023	US\$578m
2024	US\$631m

Investment Review

Investment strategy

The Trustees have developed an investment strategy which provides for investing in a diverse portfolio of financial investments with a long-term investment horizon. The Foundation’s investment objective is to:

- seek an inflation-adjusted return of at least 6% per annum over a 10-year rolling period;
- manage its investment portfolio to ensure appropriate liquidity and risk controls while also permitting illiquid investments with the potential for a high return; and
- diversify its investments across a range of asset classes and industry sectors.

It is the intention of the board to maintain the endowment for the long term while continuing to fund CIFF's work. **Asset growth**

Since inception, the Foundation has received voluntary income, donations and donations-in-kind of over US\$2.8 billion. Over the last 10 years, the Foundation’s net assets have grown through investment to US\$6.0 billion as at 31 December 2024 (2023:US\$5.7 billion), after charitable activities, governance costs and investment management costs of over US\$5.2 billion (2023:US\$4.6 billion).

Investment returns

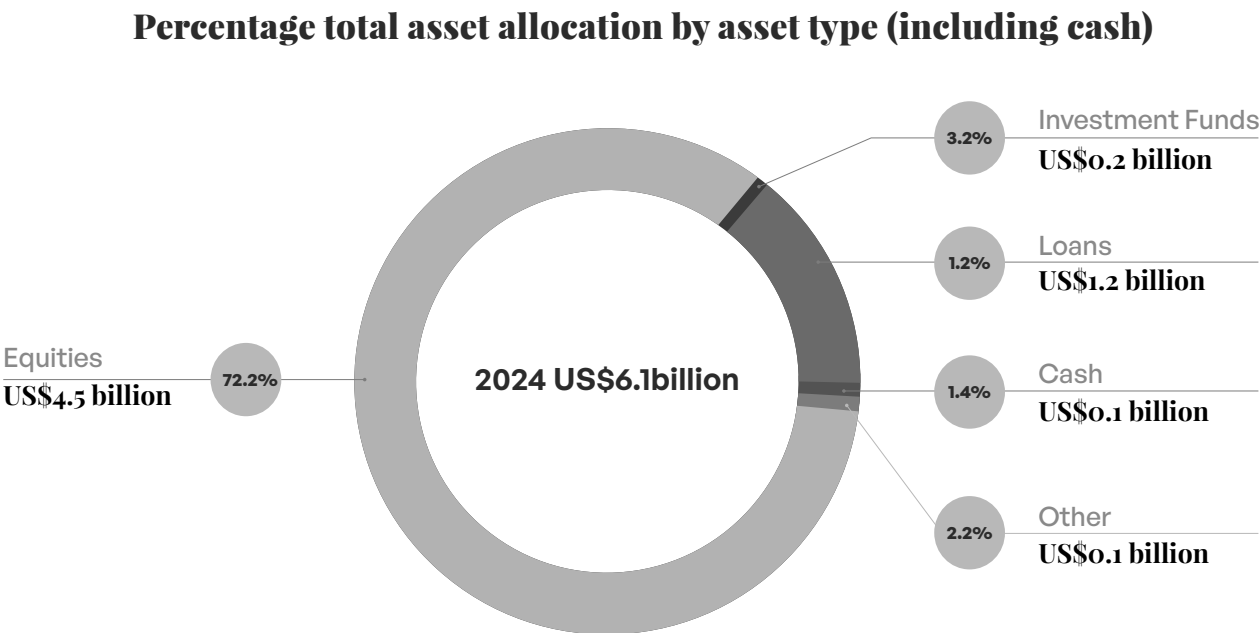
Total incoming resources were US\$304 million (2023: US\$299 million), consisting of dividends and interest received from the Group’s equity and fixed income investment portfolio together with donations. Investment gains in the year were US\$637 million (2023: gain of \$1,020 million). The combined net investment return for the financial year ended 31 December 2024 was 13% (2023: 22%), reflecting continued strong investment performance, with a cumulative performance of 633% since April 2009, equivalent to 14% per annum return (net of fees).

Investment management costs

Investment management costs in 2024 were US\$12 million (2023: US\$12 million), which mainly related to managing subsidiaries holding endowment investments including brokerage and charges intermediary fees accrued to a third-party real estate advisor (see note 26 for further details of service providers). No fees are charged by TCI Fund Management Limited (TCI FM) in relation to management of the endowment assets.

Asset allocation

The investment manager, TCI Fund Management Limited, invests the Foundation’s assets in different classes and sectors within the parameters set by the Foundation’s investment management restrictions, adopted by the Trustees. The Foundation and its subsidiaries (the “CIFF Group”) operate a diversified portfolio, invested in a number of different types of financial instruments across a wide range of sectors (with certain limitations - see investment policy on page 39). The allocation by asset type is set out in the chart below.



Risk Management and Key Policies

Risk Management

The Trustees are ultimately responsible for the management of the risks faced by the Foundation and regularly review the strategic, business and operational risks to which the Foundation is and may be exposed. These reviews are based on risk reports that are regularly presented to the Board, as well as ad hoc risk reports that may be presented to the Board in the case of specific events or changes in circumstances.

The principal, manageable risks to the organisation identified by the Trustees during the year are those related to safeguarding of beneficiaries and staff of grantees, exposure to cyber-attacks and fraud, the regulatory environment regarding the receipt of foreign charitable funds in certain jurisdictions that ClIFF operates in and the wellbeing of staff in the context of highly ambitious charitable objectives. Financial risks and controls are reviewed by the Finance, Audit and Investments Committee and reported to the Board on a regular basis.

The Trustees are satisfied that the sub-committees, systems, controls and policies necessary to manage and mitigate risks identified by the Trustees are in place and these are summarised below. The Trustees will continue to review the Foundation's risk management processes to ensure as much as possible that the major risks to the Foundation are being identified and appropriately managed.

The management of major risks is carried out in a manner that is consistent with guidance provided by the Charity Commission. The Foundation has established organisational risk working groups that review, identify and manage risks through the Foundation. These risk working groups are in each case comprised of staff representing the different teams throughout the Foundation and cover the following areas: Operations, Ecosystems, People and Political and Reputational. These groups meet semi-annually to discuss the risks faced by the Foundation and mitigating actions. The groups each prepare reports that assign ratings to the risks identified based on the likelihood and impact of the risk, which is then adjusted for relevant mitigants. Each identified risk is also assigned an accountable staff member or members. The final reports from the risk working groups are moderated by the Executive Team before being presented to the Board for review, along with a risk "heat map" giving an overall picture of risk in the Foundation.

The Foundation maintains a comprehensive set of compliance policies that are intended to manage and mitigate many of the risks it faces. These include policies regarding safeguarding, bribery, corruption and fraud, modern slavery and use of IT and social media. These policies are supported by comprehensive induction and continuous training processes that have been developed (and are regularly updated) in collaboration between the compliance and human resources teams.

Investment Risk Management

Investment Policy

The Foundation implements its Investment Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including Charity Commission guidance "Charities and Investment Matters" ("CC14")) through direct and indirect investments, including via investment subsidiaries.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Foundation's investments. The Finance, Audit and Investments Committee (the "Finance Committee"), chaired by Mr Emmanuel Roman, acts as an advisory body to the Board on finance, audit and investment matters.

The Foundation's investment policy prohibits investments in companies or entities that:

- Generate any turnover from the business of manufacturing tobacco products and tobacco marketing.
- Market breast milk substitutes unless they have committed to adopt the World Health Organisation's International Code of Marketing Breast Milk Substitutes.
- Generate 10% or more of turnover from extracting, stockpiling, distributing or trading fossil fuels.
- Generate 25% or more of turnover from the development, production, manufacture, distribution, stockpiling, transfer or sale of arms.

ClIFF monitors TCI FM's investment activities through regular reporting and engagement. During the year, no investments fell into these categories.

Taking into account the advice of the Finance Committee, the Board is satisfied with the current investments and their allocation, although the Board will continue to monitor and review the investment strategy, through the Finance Committee. The Finance Committee regularly reviews the performance of the endowment and engages with the investment manager

to understand the impacts and actions of the manager. The views of the Finance Committee are shared with the Board so that the non-conflicted Trustees can assess whether they believe any changes to the Investment Policy or the investment management arrangements are required.

The Trustees are aware of the potential conflict of interest which exists between the Foundation and Sir Christopher Hohn as both a Trustee and his position as Managing Director of TCI FM, the investment manager to certain entities within the Foundation's Group, and accordingly carefully and appropriately manage the relationship. Any potential conflicts in relation to decisions regarding the endowment are managed in accordance with the relevant provisions in the Foundation's articles of association.

The members of the Finance Committee complete a full review of the Investment Policy at least annually, which includes a review of the investment manager, benchmarking its returns and also benchmarking the intermediary fees of the third party real estate advisor. Further details of the investment portfolio can be seen in the notes to the consolidated financial statements.

Cash Management Policy

The Foundation has a Cash Management Policy, which was most recently updated by Trustees in September 2020. The Cash Management Policy is reviewed at least annually by the Finance Committee and the Trustees and, if necessary, amended.

The Cash Management Policy sets out:

- The principal objective of cash management at the Foundation, which is to ensure that the Foundation has sufficient cash available to meet its working capital requirements. The Foundation does not seek to maximise investment returns through its cash management activities;
- The cash management activities that are permitted by the Foundation and the applicable limitations upon those activities; and
- Who is required to authorise cash management activities.
- The Foundation implements the Cash Management Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission

Financial risk management

Internal controls

The Foundation's internal controls are designed to provide assurance to the Board of Trustees that adequate procedures are in place and operating effectively to mitigate the risk of material financial loss or misstatement.

The Foundation reviews internal operational and financial process controls on an on-going basis, with external support where appropriate, and implements improvements. ClIFF continue to invest significantly in IT security, including annual external reviews and the onboarding of an internal resource focused on IT security.

The Foundation has transitioned to a two-year budget cycle with annual reviews. The Board approved the budget in December 2024 for 2025 and 2026. The Foundation's support and governance spend is set by reference to total planned charitable disbursements to ensure it remains reasonable and proportionate. The Executive Directors review and approve guidance for budget holders and staff to monitor and control operating cost and government-related expenditure. Further details of financial risk management can be seen in Note 16 of the consolidated financial statements.

Granting Policy

The Foundation currently adopts a "multi-year agreement" approach for multi-year programmes. This multi-year agreement permits, for example, a five-year programme to be contracted for the full five-year term of the programme, but subject to programme reviews and conditionality such that it remains consistent with Statement of Recommended Practice ("SORP") guidance, with expenditure being recognised annually in the Consolidated Statement of Financial Activities.

For each new grant programme, or "investment", a full programme budget and mapped work plan is developed by the grantee and the ClIFF sector teams during the due diligence phase in order to obtain the necessary approval by the Board, Programme Investment Committees (PICs), or, in the case of investments of a programme with a budget of US\$1.5 million or less, the CEO (see also the Foundation Governance Structure section on page 42).

Upon approval by the Board or PICs or CEO, the full programme budget is agreed for the full-term of the programme, subject to the performance reviews that take place during each year of the multi-year programme or any other specific conditionality or "gating" requirements imposed by the Board or PICs. During performance reviews, the relevant ClIFF sector team reviews

the progress of the grant and, if appropriate, agree the work-plan going forward, budget, KPIs, milestones and deliverables.

The performance review process is set out as a condition of the agreement with the grantee, with release of funding being conditional upon adherence to the work-plan, budget, KPIs, milestones and deliverables by a specific date set out in the multi-year contract.

Failure to complete the performance review process and adhere to the work-plans, budgets, KPIs, milestones and deliverables by the relevant date specified may result in termination of the grant agreement.

Reserves Policy

The Foundation maintains three internal reserves to assist in achieving these financial objectives: Restricted Funds, an Expendable Endowment Fund and Unrestricted Funds. The level of these Reserves, considered on a ten-year time horizon, is the key determinant in the amount of capital which the Group is able to distribute each year to charitable activities. The Trustees review reserves annually and are satisfied that the CIFF group is in a position to meet all its current and anticipated future commitments.

Unrestricted reserves

Designated funds

As at 31 December 2024, the Trustees have earmarked US\$1,073 million (2023: US\$984 million) of reserves as designated funds in recognition of funds which may be called upon to fund approved multi-year programmes within the next 1 to 5 years.

Operational Reserves

The Foundation's unrestricted funds have also been used in 2024 and previous years as "Operational Reserves" to finance the Foundation's grant expenditure and direct charitable activity expenditure, operating cost and governance costs and to provide a short-term buffer for grant-making and other costs.

Cash flow projections for income and expenditure are reviewed to ensure that the level of disposable net assets is adequate, and that the Foundation is in a position to meet all its grant-making and working capital commitments. In the event that the Foundation is unable to meet its commitments from reserves of unrestricted funds at their disposal, the Foundation will, as referred to below, draw on the expendable endowment to meet those commitments as necessary.

In view of the high level of liquidity of a large proportion of the Foundation's assets, the Trustees do not consider that it is necessary or justifiable to carry unrestricted operational reserves and therefore working capital surpluses are transferred to the expendable endowment. The unrestricted operational reserves as at 31 December 2024 was US\$nil (2023: US\$nil).

Restricted Funds

Restricted funds are generated when a donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Group. The restricted fund balance as at 31 December 2024 was US\$15 million (2023: US\$14 million) which consisted of fixed assets relating to drilling equipment for water wells and restricted funding received not yet disbursed. There are no performance-related conditions in relation to restricted funds.

Expendable Endowment Funds

The Group's endowment is expendable at the Trustees' discretion. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects. The Trustees' intention is to monitor the value of the expendable endowment fund in real terms over a multi-year period to ensure that the Group can maintain its existing level of annual charitable expenditure and increase it gradually as they see necessary to meet the Foundation's charitable objectives for future years. At the year end, the value of the expendable endowment fund was US\$4,920 million (2023: US\$4,719 million).

Structure and Governance

The Foundation is a company limited by guarantee, incorporated on 8 February 2002 and registered as an English charity on 12 March 2002. The charity number is 1091043.

Subsidiary Companies and Overseas Branches

The Foundation has eleven directly or indirectly owned vehicles within its Group as at 31 December 2024 (2023: twelve) that have a mixture of purposes including to hold endowment investments and to help achieve the charitable objectives of the Foundation. For the period to 31 December 2024, the reported results of the subsidiary undertakings of CIFF are disclosed in the note 14. These results of the CIFF Group are consolidated and presented in the consolidated financial statements.

The Foundation has four overseas branches in India, Kenya, Ethiopia and China, the results of which are consolidated and presented in the consolidated financial statements.

The Board of Trustees

The members of the Board of Trustees are set out below. For the purposes of company law, the individuals listed are Directors of the Foundation and are appointed in accordance with the Foundation's constitution. The Board of Trustees meets to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, investment, reserves and risk management policies and performance. The Trustees who were in office during the period and up to the date of signing the financial statements were:

Sir Christopher Hohn

Mr Ben Goldsmith

Mr Masroor Siddiqui

Ms Ana Marshall

Mr Marko Lehtimäki

The Trustees are selected on the basis of their skills and expertise, particularly in the areas of business management. The Trustees determine the strategy and policies of the Foundation and monitor implementation and impact. The Trustees also serve as resources to the Foundation, sharing new and relevant research and projects, and directly supporting key aspects of operations.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 10 and 25 to the financial statements. Trustees are required to disclose all relevant interests and review the Board Members' Register of Interests at each Board meeting. Trustees must register all relevant interests with the Company Secretary and, in accordance with the Foundation's Articles of Association and its policy on conflicts of interest, withdraw from decisions where a conflict of interest arises.

The Foundation provides a formal induction programme for new Trustees and new committee members, including the provision of the Foundation's key governance, policy and financial documents, relevant Charity Commission guidance and details of the organisational structure of the Foundation (including delegated authority levels).

Induction sessions are also arranged to explain the legal obligations of Trustees and committee members and provide briefings from senior operational personnel and professional advisors.

The Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee was established in May 2006 and is constituted by not less than four members appointed by the Board, one of whom must be a Trustee. Other members with appropriate skills and expertise, who need not be Trustees, may be appointed to the Committee by the Board. The current trustee member is Masroor Siddiqui and the five independent members of the Committee are Emmanuel Roman (Chair), Kevin Davis, Richard Hayden, Jacob Schimmel and Ellen Shuman. CIFF's Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer and General Counsel are regular

attendees of the Committee. The Finance, Audit and Investment Committee has delegated responsibility on behalf of the Board for advising the Trustees on audit, finance and investment matters. The Board reviewed and updated the terms of reference for the Finance, Audit and Investment Committee in December 2023.

Programme Investment Committee, Climate

The terms of reference of the Programme Investment Committee, Climate ("PIC Climate") were approved in October 2015 and most recently updated in March 2023. The PIC Climate is constituted by at least three Trustees, the Foundation's CEO and at least three (but no more than eight) independent advisers. During the year, the Trustees appointed a new independent adviser to PIC Climate. The PIC Climate has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's environmental objectives (advancing environmental protection or improvement, including preservation and conservation of the natural environment) and the promotion of sustainable development to mitigate climate change ("Climate Purposes"). The PIC Climate has decision making authority for grant proposals regarding Climate Purposes up to and including US\$30 million.

Programme Investment Committee, Children

The terms of reference of the Programme Investment Committee, Children ("PIC Children") were approved in August 2015 and most recently updated in March 2023. The PIC Children is constituted by at least three Trustees, the Foundation's CEO and at least three (but no more than eight) independent advisers. During the year, the Trustees appointed two new independent advisers to PIC Climate. The PIC Children has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's non-Climate Purposes. The PIC Children has decision-making authority for grant proposals regarding non-Climate Purposes up to and including US\$30 million.

CEO Delegated Authority

The Board has delegated to the CEO responsibility for receiving, considering and making decisions upon certain grant proposals up to and including US\$1 million. In December 2024, the Board approved an increase to this delegation to US\$1.5 million. The Terms of Reference for the CEO's delegated authority were approved by the Board on 11 February 2014 and last amended on 3 December 2024. This authority was previously subject to a maximum aggregate limit of 10% of forecast multi-year value ("MYV") of new programmes set out in the relevant financial year's business plan but was updated in the last amendments to a limit of no more than US\$35 million per year on average across two financial years from 2025-26.

Remuneration Committee

The Remuneration Committee was established in February 2015 and is constituted by at least two Trustees. The current Trustee members are Sir Christopher Hohn, Ana Marshall (Chair) and Marko Lehtimäki. The Remuneration Committee has delegated responsibility on behalf of the Board for determining and reviewing policy for executive remuneration, approving principles and policies of reward throughout the Foundation (including the design of any performance-related pay schemes operated by the Foundation) and determining the total individual remuneration package of the CEO (including annual bonus).

Remuneration Report and Other Governance

The principles of the remuneration policy

We have a comprehensive reward strategy underpinned by reward principles, to ensure that our approach is aligned with, and embodies, our people strategy and organisational purpose, and that is flexible, adaptable and emphasises the full value of the offer at ClFF (total Reward). This enables us to recruit, motivate, incentivise and retain the best high performing talent, whilst ensuring fair pay practices and transparent career progression. Our salary bands are benchmarked on a bi-annual basis.

Remuneration of Key Management Personnel

	31 December 2024 US\$'000	31 December 2023 US\$'000
Executive Directors	3,844	3,389
Employer Pension Contributions Employer	93	81
National Insurance Contributions	392	329
Total Compensation	4,329	3,799

The Key Management Personnel of ClFF for the purposes of remuneration disclosure have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees but are reimbursed for expenses incurred, see Note 10 of the financial statements for details).
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses and employer pension contributions.

Relationship with Other Charities

The Foundation is a co-founder and collaborator in a number of projects with a range of other UK and international donors, including, but not limited to foundations, government agencies and private individuals.

Political Contributions

The Foundation made no political donations or incurred any political expenditure during the year (2023: none). As a registered charity, the Foundation is required to remain politically impartial in its work and funding.

Subsequent Events

Details of subsequent events are disclosed in Note 27 of the financial statements.

Future Developments

ClFF will continue to focus on our core operating areas to support the charitable objectives of the Foundation.

Foundation Objectives and Public Benefit

The Foundation’s objectives, as stated in its governing document, are the general purposes of such charitable bodies or for such other purposes for the benefit of the community as shall be exclusively charitable as the Trustees may from time-to-time determine.

In setting the Foundation’s objectives and planning its activities, the Foundation’s Trustees have considered section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Foundation’s activities and achievements are outlined throughout this Trustees’ Report and we believe fully demonstrate that the Foundation is providing public benefit.

Charity Governance Code

ClFF applies the majority of the principles in the Charity Governance Code (the “Code”). In some cases, including trustee engagement, decision-making and evaluation of charity impact, ClFF is in many ways exceeding the best practice stated in the Code. Across the organisations, ClFF constantly works to improve its processes and controls in order to ensure the most efficient, effective and compliant allocation of its charitable resources.

Relevant Audit Information

ClFF believes that it has taken all steps necessary to make itself aware of any relevant audit information and has established that ClFF’s statutory auditor has been made aware of that information. In so far as it is aware, there is no relevant audit information of which the statutory auditor is unaware.

Trustees' Responsibilities and Financial Statements

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

The Trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' report which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006.

Under Company law the Trustees 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 Foundation and of the incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Foundation or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

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

Independent Audit

The auditors, KPMG, have expressed their willingness to remain in office for a further year.

In approving this Trustees' Annual Report, the Trustees are also approving the Strategic Report in their capacity as company directors.



On behalf of the Board
Sir Christopher Hohn
Chairman
22 May 2025

Independent Auditor's Report to the Members of The Children's Investment Fund Foundation (UK)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Children's Investment Fund Foundation ('the Foundation') and its subsidiaries (collectively the 'Group') for the year ended 31 December 2024 set out on pages 50 to 89, which comprise the Consolidated Statement of Financial Activities, Consolidated Group and Foundation Balance Sheets, Consolidated Cash Flow Statement, and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is UK Law and UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Group and Foundation's affairs as at 31 December 2024 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or Foundation or to cease its operations, and as they have concluded that the Group and Foundation's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustee's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the Group's industry, regulatory environment and other external factors and through inquiry with the trustees and management. In addition, our risk assessment procedures included: inquiring with the trustees and management as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the trustees have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's regulatory and legal correspondence; and reading the Board and Finance committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises information included in the Founder's Message, CEO's Message, Trustees' Report, Strategic Report, Trustees Responsibilities to the Financial Statements and the Group Information. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the trustees' report or the strategic report;
- in our opinion, the information given in the trustees' report and the strategic report is consistent with the financial statements;
- in our opinion, the trustees' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 45, the trustees are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

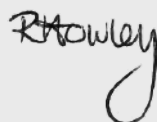
Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and the Foundation's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rio Howley
Senior Statutory Auditor
for and on behalf of
KPMG, Statutory Auditor

1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

23 May 2025

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2024 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	3 and 21	160,000	58,635	-	218,635
Investments	4	3,101	-	82,391	85,492
Total incoming resources		163,101	58,635	82,391	304,127
Expenditure on					
Raising funds	4	(12,033)	-	-	(12,033)
Charitable activities	5	(582,452)	(57,363)	-	(639,815)
Total resources expended		(594,485)	(57,363)	-	(651,848)
Net gains on investments	14	-	-	637,440	637,440
Foreign Exchange losses	14	(1,091)	-	-	(1,091)
Exchange differences on translating foreign currency operations		-	-	2,712	2,712
Net Income/(expenditure)		(432,475)	1,272	722,543	291,340
Transfers	21	520,701	(200)	(520,501)	-
Net movement in funds		88,226	1,072	202,042	291,340
Fund balances carried forward at 1 January 2024		984,290	14,257	4,718,948	5,717,495
Fund balances carried forward at 31 December 2024		1,072,516	15,329	4,920,990	6,008,835

The consolidated Statement of Financial Activities ("SOFA") has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 54 to 89 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2023 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	3 and 21	160,000	50,748	-	210,748
Investments	4	5,692	-	82,284	87,976
Total incoming resources		165,692	50,748	82,284	298,724
Expenditure on					
Raising funds	4	(12,071)	-	-	(12,071)
Charitable activities	5	(509,896)	(39,357)	-	(549,253)
Total resources expended		(521,967)	(39,357)	-	(561,324)
Net gains on investments	14	-	-	1,017,077	1,017,077
Foreign Exchange gains	14	832	-	-	832
Exchange differences on translating foreign currency operations		-	-	3,524	3,524
Net Income/(expenditure)		(355,443)	11,391	1,102,885	758,833
Transfers	21	425,412	(5,361)	(420,051)	-
Net movement in funds		69,969	6,030	682,834	758,833
Fund balances carried forward at 1 January 2023		914,321	8,227	4,036,114	4,958,662
Fund balances carried forward at 31 December 2023		984,290	14,257	4,718,948	5,717,495

The consolidated Statement of Financial Activities ("SOFA") has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 54 to 89 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED AND FOUNDATION BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

		Group	Group	Foundation	Foundation
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Fixed Assets					
Intangible assets	12	4,414	3,450	-	-
Tangible assets	13	6,428	7,865	502	796
Investments	14	6,141,986	5,889,987	6,356,509	6,309,877
of which loans		1,165,056	1,022,345	5,491,737	5,491,737
of which other investments		4,976,930	4,867,642	864,772	818,140
Total fixed assets		6,152,828	5,901,302	6,357,011	6,310,673
Current Assets					
Debtors	17	19,796	27,294	1,531	1,494
Cash at bank and in hand	18	55,367	96,896	61,995	62,820
Cash pledged as collateral	18	32,068	34,719	-	-
Total current assets		107,231	158,909	63,526	64,314
Creditors: amounts falling due within one year	19	(241,019)	(263,731)	(401,749)	(579,502)
Net current assets/(liabilities)		(133,788)	(104,822)	(338,223)	(515,188)
Total Assets less current liabilities		6,019,040	5,796,480	6,018,788	5,795,485
Creditors: amounts falling due after one year	20	(10,205)	(78,985)	(10,083)	(75,800)
Net Assets		6,008,835	5,717,495	6,008,705	5,719,685
Total funds of the charity:					
Expendable endowment fund	21/22	4,920,990	4,718,948	4,926,800	4,728,221
Restricted funds	21/22	15,329	14,257	9,389	7,174
Unrestricted funds:					
Designated funds	21/22	1,072,516	984,290	1,072,516	984,290
Total charity funds		6,008,835	5,717,495	6,008,705	5,719,685

The financial statements on pages 50 to 89 were approved by the Trustees and authorised for issue on 22 May 2025, and signed on their behalf by:



Sir Christopher Hohn

Chairman

22 May 2025

The accounting policies and the notes on pages 54 to 89 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	31 Dec 2024 US\$ '000	31 Dec 2023 US\$ '000
Net cash used in operating activities	(379,364)	(374,104)
Cash flow from investing activities:		
Dividends received	65,282	65,238
Interest received	15,310	18,345
Rental income received	4,428	4,171
Proceeds from the sale of:		
Investments	1,055,822	1,793,745
Purchase of:		
Intangible assets	(964)	(2,950)
Tangible fixed assets	(48)	(21)
Investments	(803,408)	(1,593,223)
Net cash used in investing activities	336,422	285,305
Cash flows from financing activities		
Interest paid	(208)	(399)
Net cash used in financing activities	(208)	(399)
Change in cash and cash equivalents in the reporting year	(43,150)	(89,198)
Cash and cash equivalents at the beginning of the reporting year	96,896	181,738
Effect of exchange rate movements on cash and cash equivalents	1,621	4,356
Cash and cash equivalents at the end of the reporting year	55,367	96,896

Reconciliation of incoming resources to net cash flows

	31 Dec 2024 US\$ '000	31 Dec 2023 US\$ '000
Net gain for the reporting year (as per the statement of financial activities)	291,340	758,833
Adjustments for:		
Net (gain) on investments	(504,413)	(971,642)
Dividends income	(65,754)	(65,460)
Foreign exchange movements	(1,621)	(4,356)
Interest income on investments	(15,310)	(18,345)
Interest expense	424	551
Depreciation charges	1,485	1,483
Decrease/(Increase) in debtors	3,542	(24,419)
Decrease/(Increase) in cash pledged as collateral	2,651	(34,387)
(Decrease) in creditors	(91,708)	(16,362)
Net cash used in operating activities	(379,364)	(374,104)

The accounting policies and the notes on pages 54 to 89 form part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

a) Basis of accounting

The Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments, and have been prepared in accordance with the Statement of Recommended Practice ("SORP") 'Accounting and Reporting by Charities' (published 2015), the Charities Act 2011, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006.

The Children's Investment Fund Foundation (UK) (the "Foundation") including its subsidiaries undertakings (the "Group") applied the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 'Financial Instruments' and the disclosure and presentation requirements of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

The Foundation is a public benefit entity and has adapted the Companies Act formats to reflect the Charities SORP and the nature of the Foundation's activities.

The Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Trustees of the Foundation made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Trustees are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

b) Functional currency and presentational currency

These financial statements are presented in United States Dollar ("US\$"), which is the Group's functional currency. 'Functional currency' is the currency of the primary economic environment in which the Group operates. The Group's investments, grants and expenditures are denominated and paid mostly in US\$. Accordingly, the Board has determined that the functional currency of the Group is United States Dollar. All amounts have been rounded to the nearest thousand, unless otherwise indicated and the terminology 'k' will be used to refer to thousands through the financial statements.

c) Basis of consolidation

The Consolidated Statements of Financial Activities ("SOFA"), Balance Sheets and Cash Flow Statements incorporate the results of The Children's Investment Fund Foundation (UK) (the "Foundation") and its subsidiary undertakings, Talos Capital Designated Activity Company ("Talos"), CIFF Capital UK LP ("CIFF Capital"), CIFF Investments LLP ("CIFF Inv"), CIFF Investments II Limited ("CIFF II"), CIFF Investments III LLP ("CIFF III"), CIFF IP Co Limited ("CIFF IP"), CIFF Water Limited ("CIFF Water"), CIFF General Partner Limited ("CIFF GP"), 86th Street Lender LLP ("86th LLP"), 11th Avenue Lender LLP ("11th LLP"), Chiswick Riverside LLP ("Chiswick") and CIFF 265 East 66 Limited ("CIFF 265"). The consolidated entity is referred to as the "Group". No separate SOFA and Cash Flow Statement have been presented for the Foundation alone as permitted by Section 408 of the Companies Act 2006 and SORP. Intra-group balances are eliminated fully on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those used by the Group.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate Financial Statements are set out below in paragraphs (a) to (q). The policies have been consistently applied to all periods presented, unless otherwise stated.

a) Critical accounting estimates and judgements in applying accounting policies

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported valuations of assets and liabilities within the financial year. Actual results may differ from those estimates. Estimates are continually evaluated and

2. ACCOUNTING POLICIES - continued

based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below and in Notes 14 and 15 for investments.

b) New and amended standards and interpretations

There have been no adoptions of new or amended standards effective 01 January 2024 that resulted in a significant impact to the Group's Financial Statements.

There are presently no new standards, amendments or interpretations to existing standards that are not yet effective that would be expected to have significant impact on the Group's Financial Statements.

c) Incoming resources

All incoming resources are accounted for when the Group is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income earned on loan investments is recorded within 'Net gains on investments' due to the loans being held at fair value. Interest income on cash balances is recorded in SOFA within 'Income from investments'. Dividend income and expenses, when the underlying security is held directly by the Group, is recognised on ex-dividend date, net of foreign withholding taxes in SOFA within 'Income from investments'. Withholding tax is accounted for on an accruals basis. For those securities held via an intermediary, the dividends are accounted for when notified. Rental income earned from the investment property is recorded within 'Income from investments' on an accruals basis and is receivable monthly in advance.

Donations are recognised when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to either the sectoral charitable activity areas or cost categories. For expenditure incurred across the sectors, amounts are attributed to each area based on the granting activities undertaken during the financial period. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient. Multi-year grants are subject to periodic reviews and conditionality such that the liability is recognised in most cases annually, when the criteria for recognising the liability are met.

Support costs, other than direct costs for each sectoral activity area and excluding any restricted expenditure, are re-allocated to each of the activities on the following basis, which is an estimate based on annual grant commitments levels, excluding Big Win Philanthropy commitments:

	2024	2023
Climate	47.9%	41.7%
SRHR & Girl Capital	26.1%	28.4%
Health & Nutrition	22.7%	26.4%
Cross Cutting	3.3%	3.5%

Activities undertaken directly relate to expenditure incurred by the Foundation through direct service provision or work undertaken by the Foundation that contributes directly to the Foundation's objectives.

Other sectoral teams that have continued to support the Foundation's activities, i.e. External Affairs, Evidence, Measurement & Evaluation, Organisation & Ecosystem Development, Equity, Gender, and Youth and Impact Investing are classified under Cross Cutting.

Expenditure incurred in relation to the Foundation's restricted activities are costs specifically identifiable and relevant to the restrictions assigned to those activities and therefore can be allocated to the restricted funds.

2. ACCOUNTING POLICIES - continued

e) Financial assets and liabilities

i.) Financial assets

Initial recognition and measurement

As per paragraphs 11.2 and 12.2 of FRS 102 the Group has elected to adopt the recognition and measurement requirements of IFRS 9.

Under IFRS 9 'Financial Instruments', financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss ("FVPL"). Purchases and sales of investments are recognised on their trade date, which is the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Foundation has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, financial assets are measured at FVPL. Gains and losses arising from changes in the fair value of the investments category are included in the SOFA in the year in which they arise and are based on the First-In, First-Out

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

In accordance with IFRS 9, the Group classifies its financial assets at initial recognition into the categories discussed below.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI"). The Group includes in this category short-term non-financing receivables including cash at bank and in hand, cash pledged as collateral and debtors.

Financial assets measured at fair value through profit or loss

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group includes in the FVPL category all investments in loans, concessionary loans, real estate loans (principal amount plus accrued interest receivable), listed equities, derivatives in an asset position, investment properties, private placement and investment funds.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For these financial assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group classifies the following financial assets under amortised cost: cash at bank and in hand, cash pledged as collateral and debtors. Cash at bank and in hand and cash pledged as collateral comprise cash at banks and in hand, on demand and interest bearing deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and their carrying amounts approximate amortised cost. The loss allowance is

2. ACCOUNTING POLICIES - continued

based on lifetime expected credit losses. All material counterparties have an investment grade credit rating by Moody's/S&P of A1/A+ or higher and there is no history of defaults/non-payment and all receivables' balances are short term (<1 year).

The Group only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted the simplified approach to ECLs. No ECL impairment allowance has been recorded against the Group's receivables during the year. The ECL is not relevant to financial assets at fair value through profit or loss and financial liabilities designated at fair value through profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the SOFA under 'Net gains on investments'. Any interest in such transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

ii.) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and include loans and borrowings, payables, and derivatives in a liability position, as appropriate. All financial liabilities are recognised initially at fair value.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities, other than those measured at FVPL. The Group includes in this category amounts due to brokers, grants, accruals, loan collateral and deferred income and other payables.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in SOFA in the year in which they arise and are based on the FIFO method. Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

f) Investments

Listed and unlisted securities

Securities listed or quoted on any securities exchange and regularly traded thereon are valued at fair value. The fair value of an investment is based on its quoted market price.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, other than loans and receivables, will be valued at their fair value based on information provided by TCI Fund Management Limited's ("TCI FM" or the "Investment Manager") portfolio management team such as using the latest available redemption price for investment funds.

Because of their inherent uncertainty, estimated fair values may differ from the values that would have been used had a ready market for the securities existed.

2. ACCOUNTING POLICIES - continued

Unfunded commitments

The Group may invest in loans and securities which incorporate a commitment that it will be obliged to pay at a future date if called upon by the counterparty. The timing and amounts of settlement of these potential obligations are uncertain at year end.

Due to these uncertainties the Group does not recognise these amounts as liabilities on its Consolidated Balance Sheet, however these amounts are disclosed as contingent commitments in Note 23.

Derivative contracts

Derivative contracts ("derivatives") are recognised at fair value on the date on which the derivative is entered into and are subsequently re-measured at their fair value on an ongoing basis. Fair values are obtained from quoted market prices in active markets, including recent market transactions. Where quoted prices are not available the investments are valued using information provided by counterparties to the contracts.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the SOFA.

The Group enters into forward foreign exchange contracts. Forward foreign exchange contracts are fair valued on a daily basis using the forward contracted rate derived from readily available market data. When the contract is closed, the Group records realised gains/losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Forward foreign exchange contracts are fair valued using the forward contracted rate derived from readily available market data. As at 31 December 2024 the Group held forward foreign exchange contracts with an aggregate fair value and net asset position of US\$98,721k (2023: net liability position of US\$37,664k).

Investment funds

The Group invests in investment funds ("Investee Funds") which are subject to the terms and conditions of the Investee Funds' offering documentation. The investment in the Investee Funds are primarily valued based on the latest available redemption price of such units for the Investee Fund, as determined by the administrator of the Investee Fund. Where a readily ascertainable market valuation is not available, the Investee Funds are valued at cost less any expected losses (see Note 14) which is considered to be an approximation of fair value. When a share/unit is sold the Group recognises the realised gains/(losses). Other changes in fair value of the Investee Funds are recorded as unrealised gains/(losses). At 31 December 2024, the Group held investment fund positions of US\$198,017k (2023: US\$107,057k).

Investment property

The Group invested in an investment property comprising wholly of UK-based freehold land and buildings leased to third parties. The Group's policy is to include the investment property within investments at their fair value, which is usually equivalent to the open market value. The valuation function of the Investment Manager, in consultation with a committee comprising of senior management officers of an affiliate to the Investment Manager, determine the fair value of the investment held by the Group having regard for the cost price, recent transactions and using a variety of valuation techniques including discounted cash flows.

Leased assets

The annual rentals for operating leases are charged to the SOFA on a straight-line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are held at cost, less impairment in the Foundation's Balance Sheet, which is considered to be an approximation of fair value, apart from the investment in Cliff Capital UK LP which is held at fair value.

Loans

The Group invests in Real Estate Loans which are accounted for on a fair value basis. Fair values are calculated with reference to discounted cash flow models on the expected future cash flows of each loan investment. The movements in the fair values are included within "Net gains on investments" in the SOFA. Please refer to Note 15 which details information surrounding the significant unobservable inputs of these loan investments.

2. ACCOUNTING POLICIES - continued

Programme related investments

Programme related investments are a type of social investment and are made directly in pursuit of the Foundation's charitable purposes. The primary motivation for making a programme related investments is not for financial gain but to further our charitable objects. Programme related investments can generate some financial return, and the funding may or may not be provided on commercial terms. The current programme related investments portfolio consists of a number of fund and private placement investments which follow the respective investments accounting policy and as at 31 December 2024 amounted to US\$8,006k (2023: US\$9,713k).

The Foundation also classified concessionary loans as programme related investment as the primary purpose for this investment is to further the accomplishment of their charitable purposes through facilitating the success of a programme. The Foundation has elected to initially recognise and measure the loan at the amount paid with the repayments reflected in subsequent years. Concessionary loans for the year ended 31 December 2024 amounted to US\$5,018k (2023: US\$18k) and are presented within Programme Related investments throughout the notes to the accounts.

Mixed motive investments

Mixed motive investments are made in pursuit of the Foundation's charitable purposes and financial gains. The current mixed motive investment portfolio consists of a number of fund investments which follow the investment policy. Mixed motive investments as at 31 December 2024 amounted to US\$59,908k (2023: US\$56,129k).

g) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into US\$ at the foreign currency spot rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the foreign currency spot rates of exchange at the date of the transaction. Differences arising on settlement and translation of monetary items are recognised in the SOFA.

The year end rate prevailing on the balance sheet date was US\$1 : £0.80 (2023: US\$1 : £0.79). For consolidation purposes, the balance sheets of subsidiaries reported in Pound Sterling currency ("GBP" or "£") have been converted into US dollar at the foreign exchange rate as at 31 December 2024. For all GBP reported profit and loss accounts of subsidiaries, the average foreign exchange rate for the relevant period has been applied at USD rate of US\$1 : £0.78(2023: US\$1 : £0.80).

h) Intangible assets and amortisation

Intangible assets that are acquired and developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment loss.

Amortisation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life of 10 years. The amortisation will commence once the intangible product's development is completed.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the SOFA as incurred.

i) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life. The estimated useful economic lives of fixtures and fittings is 5 years and plant and machinery is 8 years.

Tangible fixed assets are reviewed annually for impairment. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

2. ACCOUNTING POLICIES - continued

j) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Group's counterparties on demand and interest bearing deposits with original maturities of less than 3 months.

k) Cash pledged as collateral

Cash pledged as collateral includes balances held at year end with the Group's prime brokers and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin requirements with each broker at the year-end date.

l) Amounts due from/to brokers

Amounts due from brokers include cash from investments sold but which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement. Amounts due to brokers include cash from investments purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

m) Debtors

Amounts due from debtors are measured at transaction price, less any impairment.

n) Creditors

Amounts due to creditors are measured at the transaction price.

o) Funds

Designated funds are the unrestricted funds that have been set aside for a particular purpose by the Trustees. Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted funds arise when the funds are specified as such by the donor or when funds are raised for particular restricted purposes.

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income on investments is accounted for within the Expendable Endowment Fund. When the Foundation is unable to meet its commitments from reserves of Unrestricted Funds, there would be a transfer from the Expendable Endowment to Unrestricted Funds to meet those commitments.

p) Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

q) Operating Leases

The investment property was leased to tenants under operating leases with rentals payable monthly. The Group has also entered into an operating lease for plant and machinery for US\$nil consideration (2023: US\$nil).

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

3. DONATIONS AND LEGACIES

The income of \$218,635k (2023: \$210,748k) includes unrestricted donations from TCI FM of \$160,000k (2023: \$162,144k), restricted donations received from TCI FM of \$56,077k (2023: \$45,587k), the CH Foundation of \$2,456k (2023:nil), the Foreign, Commonwealth & Development Office (FCDO) of nil (2023: \$3,017k) and Aurora Forealis of \$102k (2023:nil).

4. INCOME FROM INVESTMENTS AND EXPENDITURE ON RAISING FUNDS

4 (a) Income from investments

The investment income arises from interest received on cash deposits, rental income from investment properties, and dividend income from equity securities within the portfolio held by the Group. The dividend income is recorded at ex-dividend date, gross of foreign withholding taxes. Withholding tax is recorded on an accruals basis. All rental income is derived from investment properties in the United Kingdom.

	Group year ended 31 December 2024 US\$ '000	Group year ended 31 December 2023 US\$ '000
Dividend income	65,754	65,460
Interest income	15,310	18,345
Rental income	4,428	4,171
	85,492	87,976

4 (b) Expenditure on raising funds

The expenditure on raising funds of US\$12,033k (2023: US\$12,071k) includes expenditure relating to managing subsidiaries that hold endowment investments including brokerage charges, intermediary fees and investment management fees.

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant Funding of Activities 2024 ⁽¹⁾ US\$ '000	Activities Undertaken Directly 2024 ⁽²⁾ US\$ '000	Support Cost 2024 ⁽³⁾ US\$ '000	Total Charitable Activities 2024 US\$ '000
Climate	279,685	1,692	22,336	303,713
SRHR & Girl Capital	152,203	813	12,311	165,327
Health & Nutrition	132,280	484	7,176	139,940
Cross Cutting ⁽⁴⁾	19,470	3,547	7,818	30,835
	583,638	6,536	49,641	639,815

	Grant Funding of Activities 2023 ⁽¹⁾ US\$ '000	Activities Undertaken Directly 2023 ⁽²⁾ US\$ '000	Support Cost 2023 ⁽³⁾ US\$ '000	Total Charitable Activities 2023 US\$ '000
Climate	208,303	1,113	18,141	227,557
SRHR & Girl Capital	142,174	533	11,490	154,197
Health & Nutrition	132,035	704	7,361	140,100
Cross Cutting ⁽⁴⁾	17,502	2,309	7,588	27,399
	500,014	4,659	44,580	549,253

(1) See note 7

(2) See note 6

(3) See note 8

(4) The Group and Foundation's activities including External Affairs, Evidence, Measurement & Evaluation, Organisation & Ecosystem Development, Equity, Gender, and Youth and Impact Investing are classified under Cross Cutting.

6. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of US\$6,536k (2023: US\$4,659k) on charitable activities was mainly to further the Foundation's mission; organising convenings and conferences; providing technical assistance and training to grantees and other charitable organisations; and publishing and disseminating reports on research findings.

7. GRANT FUNDING OF ACTIVITIES

Group and Foundation 2024	Climate US\$ '000	SRHR & Girl Capital US\$ '000	Health & Nutrition US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants					
African Climate Foundation	10,919	-	-	-	10,919
C40 Cities climate Leadership Group Inc.	6,086	-	-	-	6,086
CDP	5,989	-	-	200	6,189
clientEarth	9,708	-	-	-	9,708
Climate Arc	8,774	-	-	-	8,774
Climate Lead	7,167	-	-	-	7,167
END Fund	-	-	23,377	-	23,377
Energy Foundation China	15,040	-	-	-	15,040
European Climate Foundation	31,697	-	-	-	31,697
Foundation for International Law for the Environment	34,758	-	-	-	34,758
Global Impact	-	-	15,000	-	15,000
Instituto Clima e Sociedade	5,875	-	-	-	5,875
Meliore	26,299	-	-	692	26,991
MSI Reproductive Choices	-	9,017	-	300	9,317
PATH	-	3,443	3,868	-	7,311
Pfizer	-	11,470	-	-	11,470
Piramal Foundation USA	-	6,499	641	-	7,140
PSI	-	22,406	-	-	22,406
Rockefeller Philanthropy Advisors, Inc	10,494	1,250	-	1,000	12,744
Shining Hope For Communities	-	11,271	430	-	11,701
Sightsavers	-	-	10,500	-	10,500
Tara Climate Foundation	7,270	-	-	-	7,270
The Carter Center	-	-	6,000	-	6,000
Triggerise	-	25,318	-	213	25,531
United Nations Children's Fund	-	-	14,242	-	14,242
United Nations Population Fund	-	10,441	-	-	10,441
William Marsh Rice University	-	-	6,000	-	6,000
World Health Organisation	-	6,355	2,506	-	8,861
World Resources Institute	6,100	-	-	-	6,100
⁽¹⁾ Other Grantees	93,509	44,733	49,716	17,065	205,023
Total charitable grants	279,685	152,203	132,280	19,470	583,638

⁽¹⁾ The grants included within 'Other grantees' for 2024 totalled less than US\$5.8m (2023: US\$5.0m) in value for each organisation.

7. GRANT FUNDING OF ACTIVITIES – continued

Group and Foundation 2023	Climate US\$ '000	SRHR & Girl Capital US\$ '000	Health & Nutrition US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants					
APCON Enterprises Limited	-	-	6,002	-	6,002
C40 Cities Climate Leadership Group Inc.	9,400	-	-	-	9,400
CAMFED International	-	14,500	-	-	14,500
Clean Air Fund	10,660	-	-	-	10,660
clientEarth	6,118	-	-	-	6,118
Dr. Reddy's Formulations Limited	-	15,800	-	-	15,800
END Fund	-	-	11,151	-	11,151
Energy Foundation China	12,990	-	-	-	12,990
European Climate Foundation	19,505	-	-	-	19,505
Food For Education	-	-	11,063	-	11,063
Foundation for International Law for the Environment	13,448	-	-	-	13,448
Global Fund to fight AIDS, Tuberculosis and Malaria	-	13,950	-	-	13,950
Instituto Clima e Sociedade	8,818	-	-	-	8,818
IPE Global Limited	-	1,864	3,718	-	5,582
Living Goods	-	-	7,405	-	7,405
Meliore	11,811	-	-	-	11,811
MSI Reproductive Choices	-	11,880	-	-	11,880
Orbis	-	-	6,693	-	6,693
PATH	-	4,362	1,544	-	5,906
Pfizer	-	6,770	-	-	6,770
PSI	-	8,448	-	-	8,448
Rockefeller Philanthropy Advisors, Inc	19,495	-	-	190	19,685
Tara Climate Foundation	7,730	-	-	-	7,730
The Sunrise Project	8,750	-	-	-	8,750
The World Bank Group	-	10,000	-	-	10,000
Triggerise	-	13,136	-	-	13,136
United Nations Children's Fund	-	2,406	21,511	-	23,917
United Nations Population Fund	-	5,125	-	-	5,125
William Marsh Rice University	-	-	11,625	-	11,625
World Resources Institute	9,957	-	-	-	9,957
World Vision Ethiopia	-	-	9,687	-	9,687
⁽ⁱ⁾ Other Grantees	69,621	33,933	41,636	17,312	162,502
Total charitable grants	208,303	142,174	132,035	17,502	500,014

⁽ⁱ⁾ The grants included within 'Other grantees' for 2024 totalled less than US\$5.8m (2023: US\$5.0m) in value for each organisation.

8. ALLOCATION OF SUPPORT COSTS

2024	Climate US\$ '000	SRHR & Girl Capital US\$ '000	Health & Nutrition US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Support costs					
Staff costs (Note 10)	15,543	8,715	4,637	6,449	35,344
Office expenses	3,253	1,759	1,527	229	6,768
Governance costs (Note 9)	388	211	184	27	810
Travel and subsistence	1,484	861	400	488	3,233
Consultancy and contractor costs	1,668	765	428	625	3,486
Total support costs allocated to charitable activities	22,336	12,311	7,176	7,818	49,641

2023	Climate US\$ '000	SRHR & Girl Capital US\$ '000	Health & Nutrition US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Support costs					
Staff costs (Note 10)	12,617	7,954	4,664	6,464	31,699
Office expenses	2,605	1,770	1,636	228	6,239
Governance costs (Note 9)	207	141	131	17	496
Travel and subsistence	1,225	811	503	604	3,143
Consultancy and contractor costs	1,487	814	427	275	3,003
Total support costs allocated to charitable activities	18,141	11,490	7,361	7,588	44,580

The allocation method of support costs has been discussed in Note 2(d).

9. GOVERNANCE COSTS

	Group year ended 31 December 2024 US\$ '000	Group year ended 31 December 2023 US\$ '000
Auditors' remuneration	300	304
Legal fees	419	118
Professional fees	91	74
	810	496

The auditors' remuneration, for the year ended 31 December 2024 is split between KPMG US\$253k (2023: US\$247k), S.P. Nagrath (India liaison office auditors) US\$13k (2023: US\$13k), Mazars (China office auditors) US\$9k (2023: US\$9k), Tay Auditors (Ethiopia office auditors) US\$7k (2023: MSE Audit Partnership US\$11k) and PKF (Kenya office auditors) US\$18k (2023: US\$24k). In 2024, PKF also provided tax advisory services of US\$16k (2023: US\$16k) and accountancy services of US\$5k (2023: US\$13k). No other assurance, tax advisory or finance services were provided by auditors during the year (2023: US\$nil).

10. STAFF COSTS

	Group and Foundation year ended 31 December 2024 US\$ '000	Group and Foundation year ended 31 December 2023 US\$ '000
Wages and salaries	29,211	26,134
Social security costs	2,403	2,061
Other pension costs	1,235	1,225
	32,849	29,420
Other staff costs	2,495	2,279
Total staff costs	35,344	31,699

The average monthly number of employees (based on the 12 month period) who were employed during the year totalled: 225 (2023: 211). The staff numbers were split between direct activities: 174 (2023: 168) and indirect support: 51 (2023: 43). The number of employees of the Group and Foundation whose remuneration paid in the financial year fell within the following bands were:

Total Remuneration Bandings	Group and Foundation 2024	Group and Foundation 2023
\$71k - \$85k	24	26
\$85k - \$99k	22	13
\$99k - \$113k	12	14
\$113k - \$127k	14	17
\$127k - \$141k	19	12
\$141k - \$155k	9	9
\$155k - \$169k	5	6
\$169k - \$183k	4	6
\$183k - \$197k	3	4
\$197k - \$211k	6	5
\$211k - \$225k	7	3
\$225k - \$239k	3	5
\$239k - \$254k	3	1
\$254k - \$268k	1	1
\$268k - \$282k	1	1
\$282k - \$296k	1	2
\$296k - \$310k	1	-
\$310k - \$324k	-	1
\$324k - \$338k	1	1
\$352k - \$366k	-	2
\$380k - \$394k	2	-
\$394k - \$408k	1	-
\$423k - \$437k	1	-
\$465k - \$479k	-	1
\$493k - \$507k	1	-
\$507k - \$521k	-	2
\$535k - \$549k	1	-
\$549k - \$563k	1	-
\$577k - \$591k	-	1
\$633k - \$647k	1	-

Charity SORP requires disclosure of the number of employees whose total employee benefit (excluding employer pension costs) exceeded GBP60k during the reporting period split in bands of GBP10k. CIFF use a functional and presentational currency of USD therefore a threshold of \$71k and bandings of \$14k have been used, which materially translate to the GBP SORP requirements. Salaries include benefits in kind and are paid in a number of currencies including GBP, which has been translated at the average rate of US\$1:£0.78 (2023:US\$1:£0.80).

The employer contributions in the year for the provision of a defined contribution pension scheme to employees of the Foundation were US\$1,235k (2023: US\$1,225k). The number of staff who were members of the scheme was 244 (2023: 233).

The Trustees did not receive any remuneration for their services during the year (2023: US\$nil). Two Trustees received travel expenses reimbursement during the year of \$33k (2023: US\$nil).

10. STAFF COSTS – continued

Remuneration of Key Management Personnel	31 December 2024 US\$'000	31 December 2023 US\$'000
Executive Directors	3,844	3,389
Employer Pension Contributions	93	81
Employer National Insurance Contributions	392	329
Total Compensation	4,329	3,799

The Key Management Personnel of the Foundation have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees);
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses and employer pension contributions.

11. TAXATION

The Group Companies, CIFF Capital, CIFF Inv, CIFF II, CIFF III, CIFF IP, CIFF GP, CIFF Water, 86th LLP, 11th LLP, Chiswick and CIFF 265 did not realise any taxable profit in this financial year, therefore have no tax liability. The subsidiary company, Talos, incurred US\$6k (2023: US\$5k) of Irish corporation tax and US\$nil of withholding tax (2023: US\$nil).

12. INTANGIBLE ASSETS

Group	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Cost brought forward	3,450	500
Additions during the year	964	2,950
At year end	4,414	3,450
Amortisation brought forward	-	-
Charge for the year	-	-
At year end	-	-
Net book value		
At year end	4,414	3,450

The intangible asset continues to be under development and testing during 2024. As per FRS 102, no amortisation is recorded as the intangible asset is not ready for its intended use.

13. TANGIBLE FIXED ASSETS

Group	Machinery	Fixtures and Fittings	Total	Total
	31 December 2024 US\$' 000	31 December 2024 US\$' 000	31 December 2024 US\$' 000	31 December 2023 US\$' 000
Cost brought forward	9,148	3,053	12,201	12,180
Additions during the year	-	48	48	21
At year end	9,148	3,101	12,249	12,201
Depreciation brought forward	2,079	2,257	4,336	2,853
Charge for the year	1,143	342	1,485	1,483
At year end	3,222	2,599	5,821	4,336
Net book value				
At year end	5,926	502	6,428	7,865

Foundation	Fixtures and Fittings	Fixtures and Fittings
	31 December 2024 US\$' 000	31 December 2023 US\$' 000
Cost brought forward	3,053	3,032
Additions during the year	48	21
At year end	3,101	3,053
Depreciation brought forward	2,257	1,918
Charge for the year	342	339
At year end	2,599	2,257
Net book value		
At year end	502	796

14. INVESTMENTS

Group Investments

The tables below present the Group investments asset and liability composition:

Group Financial Assets	Notes	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Equities		4,546,010	4,623,551
Investment funds	14(d)	198,017	107,057
Investment properties	14(f)	61,250	62,025
Mixed motive investments	14(c)	59,908	56,129
Programme related investments	14(b)	13,024	9,713
Forward foreign exchange contracts		98,721	9,167
		4,976,930	4,867,642
Loans and receivables		1,165,056	1,022,345
Total Financial Assets		6,141,986	5,889,987

Group Financial Liabilities	Notes	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Forward foreign exchange contracts	19	44	46,834
Total Financial Liabilities		44	46,834

Gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	Year ended 31 December 2024 US\$ '000	Year ended 31 December 2023 US\$ '000
Realised gains/(losses) on financial assets and liabilities	380,934	252,652
Unrealised gains/(losses) on financial assets and liabilities	256,506	764,425
	637,440	1,017,077
Foreign exchange gains/(losses) on financial assets and liabilities	(1,091)	832
Total gains/(losses) recognised in relation to financial assets and	636,349	1,017,909

14. INVESTMENTS – continued

The table below presents the movement of the Group financial assets from the 31st of December 2023 to the 31st of December 2024:

Group	Fair value at 31/12/23 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/24 US\$ '000	Cost at 31/12/24 US\$ '000
UK	301,602	75,226	(36,447)	19,138	359,519	370,481
Overseas	955,677	480,159	(321,617)	23,529	1,137,748	1,349,678
Total unquoted	1,257,279	555,385	(358,064)	42,667	1,497,267	1,720,159
UK	-	-	-	-	-	-
Overseas	4,632,708	248,023	(697,758)	461,746	4,644,719	3,556,034
Total quoted	4,632,708	248,023	(697,758)	461,746	4,644,719	3,556,034
Total	5,889,987	803,408	(1,055,822)	504,413⁽¹⁾	6,141,986	5,276,193

⁽¹⁾ The difference between total gains above of US\$504,413k and the SOFA gains of US\$636,349k, (sum of net gains on investments of US\$637,440k and foreign exchange losses of US\$1,091k) is due to the realised and unrealised gain on short forward foreign exchange contracts of US\$59,327k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$72,609k and foreign exchange movements on the cash balances held by the Group throughout the year as well as gains and losses incurred through the foreign exchange overlay.

The table below presents the movement of the Group financial assets from the 31st of December 2022 to the 31st of December 2023:

Group	Fair value at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/23 US\$ '000	Cost at 31/12/23 US\$ '000
UK	287,387	222,777	(210,660)	2,098	301,602	300,300
Overseas	845,144	343,015	(254,709)	22,227	955,677	1,192,219
Total unquoted	1,132,531	565,792	(465,369)	24,325	1,257,279	1,492,519
UK	-	-	-	-	-	-
Overseas	3,986,336	1,027,431	(1,328,376)	947,317	4,632,708	3,812,783
Total quoted	3,986,336	1,027,431	(1,328,376)	947,317	4,632,708	3,812,783
Total	5,118,867	1,593,223	(1,793,745)	971,642⁽¹⁾	5,889,987	5,305,302

⁽¹⁾ The difference between total gains above of US\$971,642k and the SOFA gain of US\$1,017,909k, (sum of net gains on investments of US\$1,017,077k and foreign exchange gains of US\$832k) is due to the realised and unrealised gain short forward foreign exchange contracts, equity swaps and equities of US\$29,775k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$76,042k and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the Foreign exchange overlay.

Foundation Investments

The table below presents the Foundation's investment composition:

	Note	31 December 2024 US\$ '000	31 December 2023 US\$ '000
Investment in subsidiaries	14(a)	791,794	752,286
Programme related investments	14(b)	13,024	9,713
Mixed motive investments	14(c)	59,908	56,129
Loan to subsidiary	14(e)	5,491,737	5,491,737
Investment funds	14(d)	46	12
Total Financial Assets		6,356,509	6,309,877

Foundation – Investments Held at Fair Value

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2023 to the 31st of December 2024:

	Fair value at 31/12/23 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/24 US\$ '000	Cost at 31/12/24 US\$ '000
UK	6,233,116	-	(673,342)	714,473	6,274,247	5,564,914
Overseas	65,854	9,682	(574)	(1,984)	72,978	172,344
Total	6,298,970	9,682	(673,916)	712,489	6,347,225	5,735,712

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2022 to the 31st of December 2023:

	Fair value at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/23 US\$ '000	Cost at 31/12/23 US\$ '000
UK	5,142,992	-	-	1,090,124	6,233,116	5,564,914
Overseas	58,500	6,763	(741)	1,332	65,854	163,776
Total	5,201,492	6,763	(741)	1,091,456	6,298,970	5,727,235

Foundation - Investments Held at Cost

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2023 to the 31st of December 2024:

	Cost at 31/12/23 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Impairment US\$ '000	Cost at 31/12/24 US\$ '000
UK	10,907	1,724	-	(3,347)	9,284
Total	10,907	1,724	-	(3,347)	9,284

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2022 to the 31st of December 2023:

	Cost at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Impairment US\$ '000	Cost at 31/12/23 US\$ '000
UK	9,389	1,518	(22)	-	10,907
Total	9,389	1,518	(22)	-	10,907

14. INVESTMENTS – continued

14 (a) Investments in subsidiaries

The table below details the investments held by the Foundation in its subsidiaries:

Entity	Incorporated in	% Holding	Purpose	Profit/(loss) US\$ '000	
				2024	2023
Talos Capital Designated Activity Company ("Talos")	Ireland	100	(1)	9	13
CIFF Capital UK LP ("CIFF Capital")	England & Wales	100***	(2)	710,786	1,091,518
CIFF Investments LLP ("CIFF Inv")	England & Wales	100**	(3)	49,455	45,359
CIFF IP Co Limited ("CIFF IP")	England & Wales	100	(4)	(18)	(341)
CIFF Investments II Limited ("CIFF II")	England & Wales	100**	(5)	(4,594)	(7,964)
CIFF Investments III LLP ("CIFF III")	England & Wales	100**	(6)	-	-
CIFF General Partner Limited ("CIFF GP")	England & Wales	100	(7)	-	-
CIFF Water Limited ("CIFF Water")	England & Wales	100	(8)	(1,163)	(1,170)
86 th Street Lender LLP ("86 th LLP")	England & Wales	100**	(9)	372	1,128
11 th Avenue Lender LLP ("11 th LLP")*	England & Wales	100**	(10)	-	25
Chiswick Riverside LLP ("Chiswick")	England & Wales	98	(11)	4,361	(423)
CIFF 265 East 66 Limited ("CIFF 265")	England & Wales	100**	(12)	(29)	(13)

* In liquidation

** Indirect holdings

*** Economic entitlement only

(1) Talos holds an underlying investment portfolio on trust for CIFF Capital that is managed to provide the Foundation with an investment return. At 31 December 2024, its total assets amounted to US\$32,212k (2023: US\$32,209k), total liabilities amounted to US\$32,164k (2023: US\$32,170k), and net assets amounted to US\$48k (2023: US\$39k).

(2) CIFF Capital (Limited Partnership Number LP019223) was formed by limited partnership deed between the Foundation, TCI General Partner Limited and TCI Fund Management Limited. It has been established to hold investment assets for the Foundation. At 31 December 2024, its total assets amounted to US\$6,058,598k (2023: US\$5,814,217k), total liabilities amounted to US\$64,083k (2023: US\$59,649k) and net assets amounted to US\$5,994,515k (2023: net asset of US\$5,754,568k).

(3) CIFF Inv is a limited liability partnership between CIFF Capital and CIFF II that hold certain assets from the investment portfolio.

(4) CIFF IP holds licenses to intellectual property rights in support of the charitable activities of the Foundation.

(5) CIFF II holds certain assets from the investment portfolio. CIFF Inv is also a non-participating member in CIFF Inv, CIFF III, 86th LLP and 11th LLP.

(6) CIFF III is a limited liability partnership between CIFF Capital and CIFF II to hold assets from the investment portfolio. In August 2022, it was placed into dissolution, and on 2 January 2024, it was dissolved.

(7) CIFF GP is a wholly owned limited company of the Foundation and the general partner of CIFF Capital.

(8) CIFF Water Limited is wholly owned subsidiary of the Foundation. The principal activity of CIFF Water is to purchase and lease assets to support charitable activities.

(9) 86th LLP is a limited liability partnership between CIFF Capital and CIFF II. On 10 March 2022, 86th LLP disposed of its sole privately placed loan investment, and as at 31 December 2024 retains an outstanding claim against the Guarantors of the loan and therefore remains a going concern.

(10) 11th Ave is a limited liability partnership between CIFF Capital and CIFF II which previously held an interest in an endowment asset from CIFF Capital that was disposed of in 2021. In 2024, 11th LLP was named in a legal action along with a number of other defendants. This legal action was dismissed in March 2025. The dissolution of 11th LLP commenced in October 2023.

(11) Chiswick is a limited liability partnership between the Foundation and The CH Foundation (UK) and holds UK investment property.

(12) CIFF 265 is a private company with limited liability incorporated in England and Wales on 1 February 2023.

14. INVESTMENTS – continued

14 (b) Programme Related Investments

The Foundation classified these investments as a Programme related investments ("PRI"), as the primary motivation for making the investment is not financial, but to further the objects of the Foundation. These investments support the charitable objectives of the Foundation.

The Foundation invested US\$nil (2023: US\$0.1m) in PRI funds during the year. The Foundation committed US\$23.8m, of which US\$0.2m (2023: US\$0.2m) remains outstanding to be drawn down as at 31 December 2024.

In 2024, the Foundation committed to loan US\$5,000k to a non-profit organisation to assist funding for a charitable programme which is aligned to the charitable objectives of the Foundation. The total loan is contracted at 4% interest rate but may reduce subject to performance related conditions, and US\$nil (2023: US\$nil) remains outstanding to be drawn as at 31 December 2024. The loan will be repaid during 2029. There is no accrued interest and impairment recorded as at 31 December 2024.

14 (c) Mixed Motive Investments

The Foundation classified these investments as a Mixed Motive Investments ("MMI"), as the investments furthers CIFF's charitable aims as well as anticipate financial returns. In accordance with CC14 (Charities and investment matters: a guide for trustees), the Foundation considered the level of private benefit to third parties created by investing to be reasonable and appropriate.

The Foundation invested US\$3.8m (2023: US\$10.6m) towards MMI funds. The Foundation invests in early-stage companies that have the potential and the high-level ability to address global health challenges along with climate and food and nutrition issues which are consistent with the charity's objectives. The Foundation committed US\$76.0m (2023: US\$76.0m) towards mixed motive investments, of which US\$18.1m (2023: US\$21.9m) remains outstanding to be drawn down as at 31 December 2024.

14 (d) Investment Funds

As at 31 December 2024, unquoted investments of US\$198,017k (2023: US\$107,057k) included an investment fund investing in developing properties in India, which was written down to US\$nil during 2022. The properties are being constructed for sale.

Where the underlying assets are under construction, the fair value of the investment cannot be reliably determined, the directors are required to make their best estimate of the fair value. Where sufficient progress has been made such that a readily ascertainable market value can be obtained for the underlying assets, the investment fund is valued at fair value. Fair value is determined using a combination of valuation methodologies, including comparable precedent transactions and discounted cash flows. Key sensitivities include timing of future cash flows and the discount rate used to determine the net present value of future cash flows.

Unquoted investments also comprised US\$46k (2023: US\$12k) of investments in underlying assets held with an unquoted investment fund. The investments are held at market value based on the valuation report supplied by the investment fund as at 31 December 2024 with any gains and losses being taken to the SOFA.

14 (e) Loans to subsidiary

The Foundation holds a loan US\$5.49 billion (2023: US\$5.49 billion) to CIFF Capital. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of CIFF Capital. The loan is at nil interest rate and has no end date.

14 (f) Investment Properties

A valuation of the investment property by an independent third party will be carried out at least once every three years. As at 31 December 2024, no independent valuer was engaged and the Foundation believe that the book value does not differ substantially from the fair value of the investment property, based on confirmation from the Investment Manager that the key methods, assumptions and data underpinning the valuation inputs have been reviewed and challenged. As at 31 December 2023, following the revaluation of the investment property by an independent valuer, an unrealised loss of US\$5,375k was recognised in the statement of financial activities.

15. KEY INVESTMENTS AND UNCERTAINTIES

For Investments in the Group held at fair value, the Group note there may be unobservable inputs in the valuation of these investments outlined below.

The following table presents additional information about valuation techniques and significant unobservable inputs used for unlisted assets and liabilities, which are measured at fair value, as at 31 December 2024 and as at 31 December 2023:

31 December 2024

Asset category	Valuation method	Fair value at 31 December 2024 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	1,165,056	Discount rate	8.12% to 16.92%	An increase in the discount rate would result in a lower fair value
Investment Funds	Net asset value	198,017	n/a	n/a	A significant increase in the discount rate of underlying loan investments would result in a lower net asset value

31 December 2023

Asset category	Valuation method	Fair value at 31 December 2023 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	1,022,345	Discount rate	6.97% to 32.19%	An increase in the discount rate would result in a lower fair value
Investment Funds	Net asset value	107,045	n/a	n/a	A significant increase in the discount rate of underlying loan investments would result in a lower net asset value

When determining fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The valuation techniques used by the Group to determine the fair value are considered to be an income approach.

The income approach provides an estimation of the fair value of an investment based on expectations about the cash flows that the investment would generate over time. The Group used the yield calibration method to derive the discount rates of the loan investments. In applying the Yield calibration method, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the loan investment was involved in an arm's length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the investment was re-priced. In addition, inputs used under the yield calibration method include assessment of the credit spread of comparable securities and indices and changes in credit quality of the borrower as at 31 December 2023 and 2024. Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The Group believes that use of different methodologies or assumptions in determining the fair value of the above financial instruments would result to immaterial changes in fair value.

The Group's reporting systems and the nature of the instruments and the valuation models do not allow it to accurately analyse the total annual amounts of gains/losses that are attributable to observable and unobservable inputs.

16. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Group's investment programme seeks to maximise the returns derived for the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance (the "Investment Programme").

The Group has appointed an Investment Manager to provide investment management services in relation to the portfolio of investments it holds. These services, as part of the investment management agreement (the "Investment Management Agreement"), include monitoring and managing the risks associated with holding such investments through the application of the Investment Programme as agreed with the Foundation's Trustees.

The Group's Investment Programme seeks to diversify its investments across a range of asset classes, industry sectors, and counterparties, and also to limit the use of leverage and off balance sheet commitments.

All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss of capital on investments carried at amortised cost is the carrying value of those investments as well as any associated accrued interest receivable. The maximum loss of capital on written put options, equity swaps and forward foreign exchange contracts is limited to the notional contract values of those positions. For loans and securities which incorporate a future commitment there is a risk of loss of capital in excess of the carrying amount of those positions on the Consolidated Balance Sheet. The Group may be obliged to settle these commitments at a time when the investment is impaired and therefore the maximum additional loss is the total amount of commitments as disclosed in Note 23.

The Group is exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Settlement risk is the risk that a counterparty does not deliver a security or its value in cash as agreed when the security was traded after the Group has already delivered security or cash as per the trade agreement. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the custodian or counterparty, in the event of its failure, any cash balances held by the Group are at risk of being lost and the ability of the Group to transfer securities might be temporarily impaired.

With respect to the privately placed loan agreements the Group is exposed to a wide variety of operational risks specific to such investments. These risks are mitigated by the engagement of industry experts, legal advisors and independent loan servicing agents during the pre-commitment due diligence process and throughout the life of the deal.

The Group invests in readily tradeable equity securities and forward foreign exchange contracts. These investments are generally traded in active secondary markets and the time taken to exit a position and the value received would depend upon factors including the size of the position relative to the total issue size, the daily average traded volume and the prevailing market trends of the period in which the trade is executed. The Group also invests in privately traded equity securities, bank debt and loans. The market for these types of investments is illiquid and secondary market transactions are infrequent. It is more difficult to predict the time and exit price of these type of investments.

The Group's activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. In accordance with the Investment Programme, the Investment Manager uses different methods to measure and manage the various types of risk to which the Group's investments are exposed; these methods are explained below.

The Investment Manager conducts regular reviews of the loans and engages with the loan servicer to monitor progress, and may also seek expert third party opinions where required. The Trustees gain assurance from the Investment Manager through the regular review meetings, as well as the collateral assessments that are carried out on an annual basis.

Furthermore, the Group's policy is to manage price and credit risk through diversification and selection of securities and other financial instruments within specified limits set in the Investment Programme.

16. FINANCIAL RISK MANAGEMENT – continued

Market Risk

(a) Price risk

The Group is exposed to securities price risk and derivative price risk. This arises from investments held by the Group for which prices in the future are uncertain. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the US dollar, the price initially expressed in foreign currency and then converted into US dollar will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the directors of the General Partner of ClFF Capital in the Investment Programme. The Investment Programme contains restrictions on overall market exposure (the "Exposure Policy"). The Exposure Policy regarding overall exposure states that market exposure shall not exceed 100% of the Reference NAV.

The use of the term "Reference NAV" within the risk management policies refers to the value of the net assets of the Group. The Investment Programme seeks to manage the Group's exposure to price risk by analysing the investment portfolio by industrial sector.

The table below is a summary of the sector exposures which are included in the Reference NAV for the purpose of monitoring the investment restrictions.

Sector	% of Reference NAV	
	31 December 2024	31 December 2023
Industrials	48.8%	52.1%
Real estate loans	22%	19%
Financials	16.9%	14.9%
Information technology	3%	2.9%
Other	7.4%	10.7%
	98.1%	99.6%

The paragraph below summarises the sensitivity of the Group's equity (the "Equity Investments") to equity price movements, derived by regressing the daily returns of the Group's Equity Investments against the daily returns of the MSCI World Equity Index including net dividends reinvested (the "Index") (Bloomberg ticker "NDDUWI"), and including the effect of movements in foreign currency exchange rates on equity prices, as at 31 December 2024 and 31 December 2023.

The analysis uses the arithmetic mean of the absolute one year moves of the Index aligned with the Group's financial year as an estimate for the reasonably possible annual move in global equity prices. For 31 December 2024 this is 10.94% (2023: 11.53%). This represents the best estimate of a reasonable possible shift in the Index over a period of one year, having regard to the historical volatility of the index. As at 31 December 2024, the exposure of the Group to Equity Investments was US\$4,545,998k (2023: US\$4,623,541k).

16. FINANCIAL RISK MANAGEMENT – continued

In 2024, the beta of the Group's Equity Investments against movements in the Index was 0.56 (2023: 0.70). The figures below give an estimation of a reasonable possible change in the fair value of the Group's Equity Investments over the period of one year, using the beta value stated above.

	2024 US\$ '000	2023 US\$ '000
Predicted effect on the Group's Equity Investments of an increase in the index	277,960	372,450
Predicted effect on the Group's Equity Investments of a decrease in the index	(277,960)	(372,450)

The Index has been used as the reference point in determining the effect of price risk only. The Investment Manager does not manage the Group's investment strategy to track this index or any other index or external benchmark. The sensitivity analysis presented is based upon the Equity Investments composition as at 31 December 2024 and 31 December 2023 and the historical correlation of the returns from the securities comprising the Equity Investments to the Index returns. The composition of the Group's Equity Investments, and the correlation thereof to the Index, is expected to change over time. The sensitivity analysis prepared as at 31 December 2024 and 31 December 2023 is not necessarily indicative of the effect on the Group's investments of future movements in the level of the Index.

(b) Foreign currency risk

The Group operates internationally and holds both monetary and non-monetary assets denominated in currencies other than its functional currency, the US dollar. Foreign currency risk as defined, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The table below shows the concentration of assets and liabilities denominated in currencies other than the US dollar at 31 December 2024 and 31 December 2023 and has been analysed between monetary and non-monetary items. It also shows the increase/(decrease) in net assets arising from an increase/(decrease) of the exchange rate in line with the 260 day historical volatility rates, with all other variables held constant and presented in their absolute values.

31 December 2024		Non	Currency	Net	Change in
Currency	Monetary US\$ '000	Monetary US\$ '000	forward US\$ '000	exposure US\$ '000	net assets US\$ '000
Canadian Dollar	494	323,804	(340,489)	(16,191)	(766)
Chinese Remnibi	-	-	-	-	-
Ethiopian Birr	63	-	-	63	22
Euro	381,485	2,283,659	(1,552,393)	1,112,751	65,875
Indian Rupee	2,017	-	-	2,017	31
Kenyan Shilling	173	-	-	173	13
Pound Sterling	11,931	-	(206,213)	(194,282)	(12,065)
Swiss Franc	332	-	(11,798)	(11,466)	(811)
Poland Zloty	-	-	(41,859)	(41,859)	(3,767)

16. FINANCIAL RISK MANAGEMENT – continued

31 December 2023

	Monetary	Non Monetary	Currency forward	Net exposure	Change in net assets
Currency	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Canadian Dollar	589	748,016	(567,015)	181,590	11,168
Chinese Remnibi	-	-	(5,902)	(5,902)	(306)
Ethiopian Birr	74	-	-	74	2
Euro	252,786	2,111,196	(1,413,649)	950,333	71,750
Indian Rupee	1,112	-	-	1,112	35
Kenyan Shilling	494	-	-	494	11
Pound Sterling	3,528	-	(224,281)	(220,753)	(18,278)
Swiss Franc	358	-	(20,994)	(20,636)	(1,626)
Poland Zloty	-	-	(57,912)	(57,912)	(6,347)

The objective of the Group's currency risk management policy is to allow the Group to retain its purchasing power and minimise the risk that its purchasing power is reduced as a result of foreign exchange rate fluctuations. The investment process focuses on fundamental and systematic factors. The Investment Manager monitors the currency risk on an ongoing basis and reports to the Finance, Audit and Investment Committee on a quarterly basis.

(c) Interest rate risk

The Group holds liquid, interest-bearing assets and liabilities such as cash and brokerage accounts, where changes in interest rates would change the amount of interest received or paid in relation to these balances.

The Group's investments in loans are carried at fair value. In determining fair value, the Group uses discounted cash flow techniques and recognises income at a rate based upon the effective interest rate of all expected cash flows over the life of the loan. For all loan investments, the discount rate used in the fair valuation model is calibrated against movements in market interest rates and changes in credit quality of the borrower.

The following table summarises the Group's exposure to interest rates. It includes the Groups asset and liabilities, categorised by the earlier of contractual re-pricing and maturity dates. The sensitivity analysis presented is based upon the composition of the Group's asset and liabilities at 31 December 2024 and 31 December 2023 and is not necessarily indicative of the effect on the Group's asset and liabilities of future movement in interest rates.

	< 3 months	3 months - 1 year	> 1 year	Non-interest rate sensitive	Non-interest bearing	Total
31 December 2024	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	55,367	-	-	-	-	55,367
Cash pledged as collateral	32,068	-	-	-	-	32,068
Investment assets/(liabilities)	-	405,549	-	759,507	4,976,930	6,141,986
	< 3 months	3 months - 1 year	> 1 year	Non-interest rate sensitive	Non-interest bearing	Total
31 December 2023	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	96,896	-	-	-	-	96,896
Cash pledged as collateral	34,719	-	-	-	-	34,719
Investment assets/(liabilities)	-	-	259,426	762,919	4,867,642	5,889,987

16. FINANCIAL RISK MANAGEMENT – continued

Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is also exposed to concentration risk and reviews the credit concentration of debt securities held based on counterparties and industries.

The Group's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Group's credit risks arise principally through exposures to loans, bank deposits, and derivative counterparties.

All of the loan investments held by the Group are secured against physical assets including real estate and property. The value of the security relating to a loan investment may become equal to or less than the value of the loan that it secures. Accordingly, in the event of a default the Group may incur a loss after all costs relating to obtaining and selling secured assets have been taken into account. Although the Group monitors the value of the secured assets on a periodic basis, as there is no active market for the positions, their risk is managed on an exposure basis, with not more than 55% of the Reference NAV to be drawn under loans classified as Real Estate Debt (as outlined in the Investment Management Agreement). Due to the illiquid nature of such loans and the variety of risks attached including property development and concentration risk, significant losses could arise.

Loans

At 31 December 2024, the Group held investments in loans valued at US\$1,165,056k (2023: US\$1,022,345k). The key risk relating to each of these loans is the possibility that the borrower will not repay the interest and principal relating to the loan in full. To protect the Group against this possibility of default, security is sought from the borrower over assets worth more than the value of the loan outstanding. This security normally takes the form of prime real estate assets in developed markets. The Group monitors the value of the assets pledged as security by engaging independent experts to provide valuations on the assets on a periodic basis and considers metrics such as loan-to-value or loan-to-commitment ratio.

Through the assets against which the loans are secured, the Group has an indirect exposure to reductions in asset valuations as a result of a market crash or other tail events. This may result in the amount lent under a loan being greater than the value of the secured assets and increase the probability of the loans going into default.

The Group is also protected by covenants built into its loan agreements which require immediate repayment in the event that the borrower breaches certain covenants. These are agreed on a loan-by-loan basis at the origination of each deal and may include metrics such as loan-to-value ratio, interest cover and other performance based metrics. As of 31 December 2024, the borrowers under a privately placed loan investment held by a CIFF subsidiary was in breach of its loan covenants (2023: one loan). The subsidiary has reserved its rights against the borrower with regard to the breaches, and has chosen not to accelerate the loan but will continue to work with the borrower in order to allow for the ongoing sale of residential units and the resulting pay-down of the loan.

There is an outstanding claim to the guarantors associated with a loan previously held in 86th Street, which if successful will result in a distribution of \$14m (2023: \$14m) to the Group. The inflow of economic benefits is probable, but not certain due to the uncertainty of the timing and amounts of the expected cash flows, therefore has been disclosed as a contingent asset.

The Group also seeks to obtain certain guarantees from credit worthy affiliates of the borrower. Guarantees for 'completion', 'carry' and 'recourse obligations' guarantee (i) the lien-free completion of the relevant project (or the payment of an equivalent amount to the lender to allow it to complete), (ii) the payment of carry costs until the earlier of loan repayment and completion (including interest and costs) and (iii) any losses incurred by the lender as a result of specified acts of the borrower or related parties. The relevant guarantors are usually required to satisfy a minimum net worth and liquidity covenant.

16. FINANCIAL RISK MANAGEMENT – continued

Counterparty credit risk

The Group is also exposed to counterparty credit risk through the trading of derivative products, cash and cash equivalents, cash pledged as collateral, amounts due from brokers and other receivable balances. One element of counterparty credit risk is the monitoring of the credit ratings of parties where all material amounts due from brokers, cash and short-term deposits are held by parties with a credit rating A1/A.

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2024:

Counterparty	Credit rating at 31 December 2024		Credit exposure 31 December 2024	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	89,748	1.43%
JP Morgan Chase	Aa2	AA-	6,283	0.10%
UBS AG	Aa2	A+	252	<0.01%
ABSA Group Limited	Ba2	N/A	173	<0.01%
Citco Bank Nederland NV	N/A	N/A	1,202	<0.01%
Awash Bank	N/A	N/A	68	<0.01%
			97,726	1.55%

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2023:

Counterparty	Credit rating at 31 December 2023		Credit exposure 31 December 2023	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	124,964	2.06%
JP Morgan Chase	Aa2	A+	22,206	0.37%
UBS AG	Aa2	A+	240	<0.01%
ABSA Group Limited	Ba3	N/A	494	0.01%
Citco Bank Nederland NV	N/A	N/A	258	<0.01%
Awash Bank	N/A	N/A	74	<0.01%
			148,236	2.44%

Credit risk is also managed by a policy contained in the Investment Programme to maintain exposures to any one counterparty to less than 15% of its Reference NAV.

In the event of any breach of the above restrictions not remedied within 3 business days of the date of such breach, the Foundation management shall in their sole discretion determine the action and will seek to achieve, where practicable, a rectification of the breach within a reasonable timeframe and/or a commercial economic advantage.

In addition, the Group also restricts its exposure to credit losses on the trading derivative instruments it holds by including netting agreements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. These netting provisions do not result in an offset on the Consolidated Balance Sheet, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by netting to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The Group's overall exposure to credit risk on derivative instruments subject to a netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

16. FINANCIAL RISK MANAGEMENT – continued

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the counterparty has received payment. Payment is made on a purchase once the securities have been received by the Group. The trade will fail if either party fails to meet its obligation.

The Group has appointed HSBC Bank plc ("HSBC") as custodian and prime broker and provider of other services (including financing) under the terms of the HSBC Prime Custody Agreement. HSBC will act as banker, custodian and prime broker of the cash and securities delivered to HSBC and will be responsible for receipt and disbursement of cash on behalf of the Group, for the receipt and safe custody and registration of securities of the Group and for the transfer of securities for the Group. The Group has both a custody and collateral account with HSBC. HSBC will also provide financing and securities lending to the Group pursuant to the HSBC Prime Custody Agreement. The collateral required to support any financing, securities lending or other exposure of HSBC to the Group will be held in the collateral account with HSBC in the name of the Group. At 31 December 2024, 100% (2023: 99%) of cash and cash pledged as collateral and investments were placed in custody with HSBC.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

The Group has a global custody agreement with JP Morgan which gives JP Morgan a lien over and right of set-off against the assets held by it for the Group.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group is exposed to the daily settlement of margin calls on derivatives, settlement of funding requests on loans with an unfunded commitment (see Note 2(f) accounting policy on "Unfunded Commitments" for further details).

The Investment Manager monitors the Group's liquidity position on a daily basis, and in accordance with agreed risk framework reports to the Group on a monthly basis. The liquidity report has been designed to confirm that the Group has sufficient resources to cover projected outflows in a stress scenario given preset liquidity haircuts for each asset class.

As part of the management of liquidity risk, the Investment Programme prescribes a limit to the amount of unfunded commitments as a certain percentage of its Reference NAV.

The Group's main sources of liquidity are listed equity securities, actively traded corporate debt and cash deposits. The asset class investment restrictions ensure a proportion of the Group's assets are invested in these types of assets, which can be readily disposed.

The Group may also invest in derivative contracts that are traded over-the-counter, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Group may not be able to quickly liquidate these investments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

16. FINANCIAL RISK MANAGEMENT – continued

The below tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the maturity date.

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2024						
Creditors: amounts falling due within one year	194,218	1,980	44,821	-	-	241,019
Creditors: amounts falling due in more than one year	-	-	-	10,205	-	10,205
Total liabilities	194,218	1,980	44,821	10,205	-	251,224

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2023						
Creditors: amounts falling due within one year	156,839	31,686	75,206	-	-	263,731
Creditors: amounts falling due in more than one year	-	-	-	78,985	-	78,985
Total liabilities	156,839	31,686	75,206	78,985	-	342,716

Uncertain liabilities, which are not recognised on the Balance Sheet, are not included in the table above for the purpose of analysing the Foundation liquidity risk.

Unfunded commitments

As disclosed in Note 14, the Group has invested in loans and securities which incorporate an unfunded commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total unfunded commitments as at 31 December 2024 have been estimated as US\$504,225k (2023: US\$564,215k).

17. DEBTORS

	Group 31 Dec 2024 US\$ '000	Group 31 Dec 2023 US\$ '000	Foundation 31 Dec 2024 US\$ '000	Foundation 31 Dec 2023 US\$ '000
Dividends receivable	1,428	956	-	-
Amounts due from brokers	11,256	16,621	-	-
Other debtors	6,240	8,482	620	656
Prepayments	872	1,235	911	838
Total	19,796	27,294	1,531	1,494

The amounts due from brokers includes cash from forward foreign exchange contracts closed but awaiting settlement, cash from trades sold but which have not yet settled and interest receivable.

18. CASH AT BANK AND IN HAND

Cash at bank includes amounts due from the Group's custodian and other counterparties, on demand and interest bearing deposits with original maturities of less than 3 months.

Cash pledged as collateral includes collateral balances held at year end with the Group's custodian and prime broker and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin exposures at the year end date.

The total of cash at bank and cash pledged as collateral is shown on the face of the Consolidated Balance Sheet and the movement reflected within the Consolidated Cash Flow Statement.

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2024:

Group	Cash and cash equivalents 31 Dec 2024 US\$ '000	Cash pledged as collateral 31 Dec 2024 US\$ '000	Cash at bank and in hand 31 Dec 2024 US\$ '000	Amounts due from brokers 31 Dec 2024 US\$ '000	Amounts due to brokers 31 Dec 2024 US\$ '000	Net counterparty position 31 Dec 2024 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	47,389	32,068	79,457	11,256	(965)	89,748
Other counterparties						
JP Morgan Chase	6,283	-	6,283	-	-	6,283
UBS AG	252	-	252	-	-	252
ABSA Group Limited	173	-	173	-	-	173
Citico Bank Nederland NV	1,202	-	1,202	-	-	1,202
Awash	68	-	68	-	-	68
Total	55,367	32,068	87,435	11,256	(965)	97,726

18. CASH AT BANK AND IN HAND - continued

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2023:

Group	Cash at bank and in hand 31 Dec 2023 US\$ '000	Cash pledged as collateral 31 Dec 2023 US\$ '000	Cash and cash equivalents 31 Dec 2023 US\$ '000	Amounts due from brokers 31 Dec 2023 US\$ '000	Amounts due to brokers 31 Dec 2023 US\$ '000	Net counterparty position 31 Dec 2023 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	73,624	34,719	108,343	16,621	-	124,964
Other counterparties						
JP Morgan Chase	22,206	-	22,206	-	-	22,206
UBS AG	240	-	240	-	-	240
ABSA Group Limited	494	-	494	-	-	494
Citco Bank Nederland NV	258	-	258	-	-	258
Awash	74	-	74	-	-	74
Total	96,896	34,719	131,615	16,621	-	148,236

The following table shows the breakdown of the cash and cash equivalents of the Foundation held with counterparties as at year end:

Foundation	Cash and cash equivalents 31 Dec 2024 US\$ '000	Cash and cash equivalents 31 Dec 2023 US\$ '000
HSBC Bank plc	55,489	40,062
JP Morgan Chase	6,270	22,196
ABSA Bank	173	494
Awash Bank	63	68
	61,995	62,820

19. CREDITORS: amounts falling due within one year

	Group 31 Dec 2024 US\$ '000	Group 31 Dec 2023 US\$ '000	Foundation 31 Dec 2024 US\$ '000	Foundation 31 Dec 2023 US\$ '000
Amounts due to brokers	965	-	-	-
Grants	178,778	149,980	168,694	149,980
Creditors	2,373	3,946	1,477	944
Loan Collateral	30,531	31,991	-	-
Intercompany Creditors	-	-	218,220	415,995
Derivative financial instrument liabilities	2	46,834	-	-
Accruals and deferred income	28,194	30,804	13,182	12,407
Taxes and social security costs	176	176	176	176
	241,019	263,731	401,749	579,502

The amounts due to brokers include cash from trades purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

20. CREDITORS: amounts falling due after one year

	Group 31 Dec 2024 US\$ '000	Group 31 Dec 2023 US\$ '000	Foundation 31 Dec 2024 US\$ '000	Foundation 31 Dec 2023 US\$ '000
Creditors payable between 1 and 2 years	5,922	78,185	5,800	75,000
Creditors payable between 2 and 5 years	4,283	800	4,283	800
Creditors payable after 5 years	-	-	-	-
	10,205	78,985	10,083	75,800

21. MOVEMENT IN FUNDS

Funds were transferred from the Expendable Endowment Fund to the Designated Funds at the year end.

Group	Balance as at 31 Dec 2023 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds ² US\$ '000	Balance as at 31 Dec 2024 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	163,101	(594,485)	-	(1,091)	-	432,475	-
Designated funds	984,290	-	-	-	-	-	88,226	1,072,516
Restricted income funds	14,257	58,635	(57,363)	-	-	-	(200)	15,329
Expendable endowment fund	4,718,948	82,391	-	637,440	-	2,712	(520,501)	4,920,990
Total funds	5,717,495	304,127	(651,848)	637,440	(1,091)	2,712	-	6,008,835

Group	Balance as at 31 Dec 2022 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds ² US\$ '000	Balance as at 31 Dec 2023 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	165,692	(521,967)	-	832	-	355,443	-
Designated funds	914,321	-	-	-	-	-	69,969	984,290
Restricted income funds	8,227	50,748	(39,357)	-	-	-	(5,361)	14,257
Expendable endowment fund	4,036,114	82,284	-	1,017,077	-	3,524	(420,051)	4,718,948
Total funds	4,958,662	298,724	(561,324)	1,017,077	832	3,524	-	5,717,495

(1) Reserves retained by subsidiary undertakings and general unrestricted funds are disclosed in total in the tables above and total US\$125,802k (2023: US\$126,712k).

(2) Transfers between funds relate to transfers from the expendable endowment to meet charitable expenditure and reflect funds earmarked to fund approved multi-year programmes. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects.

21. MOVEMENT IN FUNDS - continued

Foundation	Balance as at 31 Dec 2023 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2024 US\$ '000
Unrestricted							
Income funds	-	163,101	(584,018)	-	(1,864)	422,781	-
Designated funds	984,290	-	-	-	-	88,226	1,072,516
Restricted income funds	7,174	58,635	(56,220)	-	-	(200)	9,389
Expendable endowment fund	4,728,221	-	-	709,386	-	(510,807)	4,926,800
Total funds	5,719,685	221,736	(640,238)	709,386	(1,864)	-	6,008,705

Foundation	Balance as at 31 Dec 2022 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2023 US\$ '000
Unrestricted							
Income funds	-	165,692	(513,209)	-	3,534	343,983	-
Designated funds	914,321	-	-	-	-	69,969	984,290
Restricted income funds	-	50,748	(38,213)	-	-	(5,361)	7,174
Expendable endowment fund	4,045,613	-	-	1,091,199	-	(408,591)	4,728,221
Total funds	4,959,934	216,440	(551,422)	1,091,199	3,534	-	5,719,685

As at 31 December 2024, the Trustees have allocated US\$1,072,516k (2023: US\$984,290k) of reserves as designated funds which represents funds that may be called upon to be disbursed to multi-year programmes.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The table below presents the allocation of the group balance sheet across the three different categories of funds. For further details of the funds, refer to page 41.

	Expendable Endowment US\$ '000	Unrestricted Funds- Designated US\$ '000	Restricted Funds US\$ '000	Total 31 Dec 2024 US\$ '000	Total 31 Dec 2023 US\$ '000
Intangible assets	-	4,414	-	4,414	3,450
Tangible assets	-	502	5,926	6,428	7,865
Investments	4,726,560	1,405,823	9,603	6,141,986	5,889,987
Other assets	43,705	63,526	-	107,231	158,909
Liabilities	150,725	(401,749)	(200)	(251,224)	(342,716)
	4,920,990	1,072,516	15,329	6,008,835	5,717,495

23. COMMITMENTS

At 31 December 2024, the Group had outstanding commitments of US\$18,308k (2023: US\$22,098k) in relation to the unquoted investments held within the investment portfolio.

The Group has also invested in loans and investment funds which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2024 have been estimated as US\$504,225k (2023: US\$564,215k).

The investment commitments are funded by the Foundation and are spread out over the life of the investments.

24. OPERATING LEASES

The total rent charged as an expense in the SOFA, is disclosed below:

	Group Year ended 31 Dec 2024 US\$ '000	Group Year ended 31 Dec 2023 US\$ '000	Foundation Year ended 31 Dec 2024 US\$ '000	Foundation Year ended 31 Dec 2023 US\$ '000
Rent	1,700	1,634	1,694	1,628

The Group had commitments to future minimum lease payments under non cancellable operating leases at the year end as follows:

	Group Year ended 31 Dec 2024 US\$ '000	Group Year ended 31 Dec 2023 US\$ '000	Foundation Year ended 31 Dec 2024 US\$ '000	Foundation Year ended 31 Dec 2023 US\$ '000
Land and Building				
Less than one year	1,355	1,322	1,349	1,316
Between one and five years	1,711	2,181	1,711	2,181
More than five years	-	-	-	-
	3,066	3,503	3,060	3,497

Includes a commitment under an operating lease with TCI Fund Management (UK) Limited to pay rentals during the period following the period of these accounts of US\$712k (2023: US\$692k) and US\$1,127k between one and five years following the period of these accounts (2023: US\$1,787k).

The total rental income included within the SOFA, is disclosed below:

	Group Year ended 31 Dec 2024 US\$ '000	Group Year ended 31 Dec 2023 US\$ '000	Foundation Year ended 31 Dec 2024 US\$ '000	Foundation Year ended 31 Dec 2023 US\$ '000
Rental income	4,428	4,171	-	-

The Group is a lessor of UK investment property.

The total non-cancellable future minimum lease payments expected to be received are:

	Group Year ended 31 Dec 2024 US\$ '000	Group Year ended 31 Dec 2023 US\$ '000	Foundation Year ended 31 Dec 2024 US\$ '000	Foundation Year ended 31 Dec 2023 US\$ '000
Less than one year	4,405	4,333	-	-
Between one and five years	18,065	17,768	-	-
More than five years	30,389	34,742	-	-
	52,859	56,843	-	-

The Group holds 98% of the freehold of a property in Chiswick, UK. The freehold acquired is leased to a third party. The lease commenced on 1 July 2008 with a lease term of 25 years and is due to expire on 30 June 2033. It includes a provision for an annual rent review every 13th of July. The rent concession period has ended on 13 May 2024 and there should be no change to rental income terms after this date.

25. RELATED PARTIES

Investment Manager

TCI Fund Management Limited ("TCI FM") acts as investment manager to certain members of the Group. TCI FM, and its various group entities, are ultimately controlled by Sir Christopher Hohn, a member and trustee of CIFF.

TCI FM is not entitled to any fee for these investment management services. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to TCI FM and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital UK LP, which acts as the new main investment holding company of the CIFF Group.

In 2023, the Group invested in a private investment partnership ("PIP") and has appointed TCI Fund Management Limited as its investment manager. The Investment Manager does not charge a management fee to the Group for its services to the PIP. Any carry payable by the Group in connection with its investment in the PIP will be payable to an affiliate of AVE Capital Limited (see Note 26 'Intermediary' below). As at 31 December 2024, the Group's share in PIP is fair valued at US\$197,971k (31 December 2023 : US\$107,045k) and disclosed in Note 14 as 'Investment funds'.

During 2024, an amount of US\$852k (2023: US\$953k) was charged to entities within the Group from TCI FM, in relation to expenses incurred by TCI FM on behalf of the CIFF Group investment portfolio, mainly consisting of research fees incurred by TCI FM for the benefit of CIFF with third parties, no amounts remained payable as at 31 December 2024 (2023: US\$nil).

Furthermore, for the year ended 31 December 2024 CIFF was also charged US\$993k (2023: US\$996k) by TCI's holding company, TCI Fund Management (UK) Limited, in respect of rent and associated property costs, of which US\$993k remained payable as at 31 December 2024 (2023: US\$502k).

Donations

During 2024, TCI FM made restricted donations of US\$56,077k (2023: US\$45,387k) to support the charitable activities of the Foundation. As at 31 December 2024, TCI FM had committed additional restricted funding of US\$306,622k (2023: US\$34,961k) to be paid in future years. TCI FM also made unrestricted donations of US\$160m (2023: \$160m) during 2024, and have agreed to donate US\$320m unrestricted funding to be paid over the course of 2025 and 2026.

Sir Christopher Hohn is also the founder and trustee of the CH Foundation (UK) which during 2024 made restricted donations to the Foundation of US\$2,456k (2023: US\$2,344k). As at 31 December 2024, the CH Foundation (UK) had committed additional restricted funding of US\$1,456k (2023: US\$3,912k) to be paid in future years.

During 2024, Aurora Forealis (a foundation controlled by Marko Lehtimäki and Sir Christopher Hohn, both members and trustees of CIFF) made restricted donations of US\$102k (2023: US\$nil) to support the charitable activities of the Foundation.

The remuneration of the Key Management Personnel is set out in Note 10.

Subsidiary director fees

During the year, directors' fees of US\$11k (2023: US\$15k) for Jackie Gilroy were charged to Talos, and fees of US\$143k (2023: US\$167k) for Sonia Gogna, William Gourlay, Jonathan Watts and Tristan van der Vijver were charged to CIFF GP. No other directors of CIFF subsidiaries were entitled to fees.

Common trustees

In the normal course of charitable granting, there can be instances where the grants to charities that have trustees in common with the Foundation. The Foundation does not disclose grants to these charities as related party transactions, as the trustees are part of a collective of non-related trustees and are not considered to be in a significant position of influence. The Trustees are satisfied that appropriate procedures are in place to ensure that any potential conflicts of interest are appropriately managed and avoided.

Other transactions with Group companies

The Foundation has taken advantage of the exemption contained in FRS 102, paragraph 33.1A, not to disclose other transactions with group companies as all are wholly owned subsidiaries of the Foundation and the consolidated financial statements are publicly available. Copies can be requested from the company secretary.

26. SERVICE PROVIDERS

Administrator

Group entities have entered into administration agreements with the Administrator, Citco Fund Services (Ireland) Limited. The Administrator receives from Group entities a monthly administration fee which is calculated as a percentage of Adjusted Assets on a sliding scale. The total administration fee for the year was US\$2,026k (2023: US\$1,953k), of which US\$171k (2023: US\$196k) was payable at year end.

Custodian and Prime Broker

The Group has a custody agreement with HSBC. The Group retains beneficial ownership of assets held by HSBC. Cash and securities deposited with HSBC are repayable on demand. In addition, the Group's cash held with HSBC will be segregated from HSBC's own cash. HSBC is not permitted to utilise, re-hypothecate or otherwise appropriate the assets of the Group, however HSBC will acquire a security interest in any assets that are provided as collateral to HSBC by the Group.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

The Group has a global custody agreement with JP Morgan which gives JP Morgan a lien over and right of set-off against the assets held by it for the Group.

Intermediary

AVE Capital Limited (AVE) is engaged to provide intermediary services in relation to bringing together ClIFF Capital and other ClIFF subsidiaries, as the lending party, with third parties, as the borrowing parties, in potential real estate debt transactions pursuant to the terms of an intermediary services agreement signed in October 2020. None of TCI FM, Christopher Hohn or any other parties related to them have any financial interest in AVE. Group entities pay fees to AVE Capital Limited in relation to the intermediary services (the Intermediation Fee). The total Intermediation Fee charged to the SOFA for the year was US\$5,412k (2023: US\$3,001k), with US\$23,610k payable as at 31 December 2024 (2023: US\$21,530k).

Investment Manager

TCI FM is not paid any fee for investment management services to ClIFF. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to the Investment Manager and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to ClIFF.

27. POST BALANCE SHEET EVENTS

In March 2025, the Foundation received US\$320,000k in unrestricted funding and US\$120,943k in restricted funding from TCI FM relating to prior year commitments as disclosed in Note 25.

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Children's Investment Fund Foundation (UK), a charitable company limited by guarantee (without a share capital) incorporated in England and Wales. Pursuant to article 7 of the Foundation's Articles of Association, every member promises that if the charitable company is dissolved while he, she or it remains a member or within 12 months afterwards, to pay up to one pound sterling towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.

The Foundation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 1 December 2024. The consolidated financial statements of the Foundation is available from the Company Secretary at 7 Clifford Street, London, W1S 2FT.

29. APPROVAL BY THE TRUSTEES

The financial statements were approved by the Trustees on 22 May 2025.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

GROUP INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024

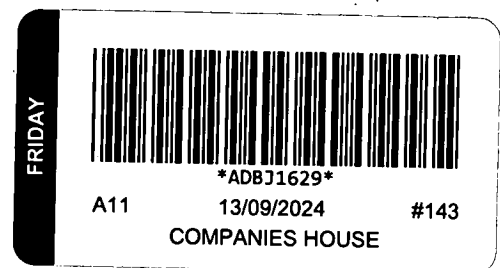
CONSTITUTION	A Company limited by guarantee and an English registered charity governed by its Memorandum and Articles of Association
COMPANY NUMBER	4370006
REGISTERED CHARITY NUMBER	1091043
TRUSTEES	Sir Christopher Hohn Mr Ben Goldsmith Mr Masroor Siddiqui Ms Ana Weichers Marshall Dr Marko Lehtimaki
REGISTERED OFFICE	7 Clifford Street London W1S 2FT
COMPANY SECRETARY	Bradley Duncan 7 Clifford Street London W1S 2FT England
BANKERS	HSBC Bank plc Level 18 8 Canada Square London E14 5HQ
SOLICITORS	Mills & Reeves LLP Botanic House 100 Hills Road Cambridge CB2 1PH
INDEPENDENT AUDITORS	KPMG 1 Harbourmaster Place Dublin 1 Ireland
INVESTMENT MANAGER	TCI Fund Management Limited 7 Clifford Street London W1S 2FT England

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

England & Wales - Charity number 1091043

Accounts

The Children's Investment Fund Foundation (UK) Annual Report for the year ended 31 December 2023



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Founder's Message

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The best strategy to counter indifference, inertia and apathy is to demonstrate the positive impact that is happening and emphasise the urgency for all of us to do our part.

Sir Christopher Hohn

Founder and Chair
13 June 2024

I started CIFF in 2002 with the founding vision to help create a better, more equal world for children. Much has changed since I began this journey, yet CIFF's ambition is stronger than ever.

Grave challenges continue to face too many children including the devastating climate crises, poverty, illness and child abuse – all of which are preventable but which are undermined by extreme indifference, inertia and apathy. These negative mentalities not only distract us from the positive change that has and continues to happen around us, but they also limit prosperity and our ability to meet critical global milestones, such as the Sustainable Development Goals (SDGs).

Throughout 2023 I was fortunate to meet with people across the world who share CIFF's vision and who have proactively mobilised resources – whether finance, innovation, knowledge, or partnerships – to help contribute to the world we wish to create for future generations. And although we have a long

road ahead, I have seen the impact that philanthropy can have from health and SRHR to women and girls' livelihoods and climate, in delivering lasting impact on the lives of children and young people.

In the health sector, CIFF and our partners have prioritised programmes that are cost effective whilst highly impactful, with a focus on lasting, sustainable results. One example in 2023 was our work with Food4Education in Kenya, to operationalise Africa's largest Giga kitchen which has the capacity to supply 60,000 meals (read more on page 17). This is an example of a sustainable solution being supported by a range of actors from philanthropies and governments to implementers and knowledge-partners.

Focus on strengthening the financing landscape for sexual and reproductive health and rights (SRHR) also took hold in 2023 as we saw an important emphasis at the UN General Assembly **on the financing gap for family planning commodities, which will cumulatively reach \$1.5 billion by 2030**. This led to CIFF and other key funders partnering with the World Bank's Global Financing Facility (GFF) and the United Nations Population Fund (UNFPA) to mobilise progress. I look forward to seeing the tangible benefits this will yield in 2024 and beyond.

Despite being the single greatest threat to our planet's existence, philanthropists continue to neglect the climate crisis – only 2% of philanthropic financing is currently dedicated to tackling this defining challenge. However, with the significant support of CIFF and others, governments and multilateral institutions came together to commit significant funding packages this past year.

At COP28, we saw a global shift

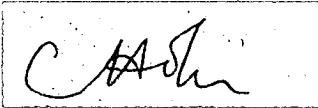
towards renewable energy, shown through the commitment to triple the world's installed renewable energy generation to 11,000 GW by 2030. Heads of State came together to fast-track the energy transition, which is a major step towards cutting greenhouse gas emissions and paving the path to a cleaner planet.

COP28 also saw an emphasis placed on the impact the climate crisis has on global health with \$777 million announced for tackling Neglected Tropical Diseases (NTDs) at the Reaching the Last Mile Forum to eliminate two of the most prevalent NTDs in Africa – River Blindness and Lymphatic Filariasis. **There is huge potential in this space to make lasting impact and it is our collective duty to invest what we can, whether via funds, attention, knowledge or resources.**

Of course, CIFF cannot afford to be complacent in a time where there is so much more to do. As we look forward, our core missions are front of mind. However, we can't do this alone. I remain as personally committed as ever to continue this work and encourage others to join this journey.

None of this work is possible without the passion and commitment of so many people. Thank you to CIFF staff, trustees and partners for your tireless dedication to this work, leading the global charge to shape a world that is not just

liveable but equal, safe, healthy and thriving. **The best strategy to counter indifference, inertia and apathy is to demonstrate the positive impact that is happening and emphasise the urgency for all of us to do our part.** I encourage individuals everywhere to join us in this mission to help bridge funding gaps, support innovative solutions and champion positive change across our communities.



Sir Christopher Hohn
Founder and Chair
13 June 2024

”

I encourage individuals everywhere to join us in this mission to help bridge funding gaps, support innovative solutions and champion positive change across our communities.

CEO's Message

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Choosing bold and systemic transformation, rather than inadequate incrementalism, is the only hope we have for ensuring we don't fall further from our global climate and development targets, and instead actively move towards them.

Kate Hampton

CEO
13 June 2024

Over the past several years, in my Annual Report letter, I have spoken about the increasingly challenging global landscape in which CIFF is trying to create positive outcomes for children. I have reflected on the increasing geopolitical and economic shifts which are having a ripple effect across the climate and development space: the rise in poverty, hunger, extreme weather events, and backsliding on gender equality.

Our collective response has not yet met the increasingly urgent demand, particularly for resources and capacity. We continue to retreat into single-issue silos ignoring opportunities for integration, efficiency and innovation.

Choosing bold and systemic transformation, rather than inadequate incrementalism, is the only hope we have for ensuring we don't fall further from our global climate and development targets, and instead actively move towards them. Taking actions which look beyond short-term political and economic cycles is crucial.

If we hope to deliver that systemic transformation, 2023 showed us more than ever the need to work across three critical spheres of influence in an integrated manner: global and multilateral, national and subnational, and in conjunction with the private sector. And that is what CIFF does: working across those spheres to support systemic change from the top-down and bottom-up, in partnership with civil society.

As part of this we disbursed over \$578 million to grantees last year and made \$516 million in multi-year commitments – as well as building deep and sustained partnership with organisations across the ecosystems we work in.

It is impossible to cover the breadth and detail of all this work, but I do want to spotlight some key examples.

Throughout 2023 CIFF has supported action to reform the global financial architecture and our multilateral institutions and processes. As an example, we supported India's G20 Presidency

work on the Global Initiative on Digital Health (GIDH); a WHO managed network of organisations, institutions and government technical agencies actively engaged in supporting national digital health transformation. It aims to focus on country-level efforts to align resources towards country-led digital health transformation through strengthened collaboration and knowledge exchange.

We also supported partners working on global finance reform through the Paris Summit for a New Global Financing Pact and engaged deeply with the ambitious Africa Climate Summit in Nairobi. And at COP28 we worked with partners in support of notable outcomes on fossil fuel transition, the championing of young voices, and the delivery of climate financing. **We announced an ambitious joint \$450m pledge over three years to help countries phase out super pollutants faster, as well as institutionalising the voice of the Youth Climate Champion to ensure future generations are offered a rightful seat at the decision-making table.**

Personally, I was proud to be a member of the COP28 Advisory Committee, and while we still aren't making nearly enough progress, I'll continue to work on the COP process to build on the outcomes from Dubai and support the UAE in delivering on its COP legacy and its ambition to become a green finance hub for emerging markets.

Of course, our work can only happen through collaboration with allyship from governments, at the national and subnational level, to embed programmes and enable sustainability. **One example of this is our RISE Acceleration Campaign which supports girls with family planning choices in Ethiopia. This past year we have seen a 300% increase compared to 2022 in girls becoming adopters of this programme.** Empowering girls to make choices about their own health and their family's financial future has helped address long standing socio-cultural barriers and enabled girls to stay in school for longer, showing the holistic impact of investing in health with localised support.

The third part of the jigsaw is the private sector, where we are redoubling our efforts to plug delivery gaps and incentivise action through voluntary norms and standards – on issues like transition planning and greenwashing – as a stepping stone towards necessary regulation.

In all this work, we continue to collaborate closely with our philanthropic partners. In 2023, for example, **CIFF also worked with Audacious to bring together funders who, amongst other successes, raised \$100 million to further help our shared mission with our grantee CAMFED, to support girls to thrive through education.** As an Audacious finalist from 2023, the ReNew 2030 coalition of experts, civil society, and philanthropy will also help us to mobilise key actors around the world towards a fast and fair energy transition, in line with COP28's renewable energy targets.

So, although we still have a long way to go to reach our global goals, 2023 reasserted that impactful change is possible – through working collaboratively at the global and multilateral level, with national and local governments, with the private sector, and with civil society and philanthropy across sectors and geographies.

That does not mean that CIFF is settling. In fact, we are currently in the process of shifting our ambition to ensure an even greater focus on our guiding missions which support the most relevant SDGs for vulnerable children in partnership with an ecosystem of partners that will enable delivery. A key step towards this in 2023 was **the introduction of the Chief Ecosystem Development Officer, a role taken by our Executive Director for Climate Sonia Medina**, in an expansion of her role. Moving forward, our mission-led ecosystem-based approach will drive all aspects of our work.

As the external environment continues to test our collective efforts, **I remain optimistic about what can be achieved and believe that the changes we are making to the way CIFF operates will strengthen our contribution.** I want to thank our Founder and Chair, Sir Christopher Hohn, and the wider CIFF Board of Trustees for their ongoing support. And I want to thank the Executive Team and all my CIFF colleagues, as well as our incredible and inspiring network of partners across the world, for all their efforts throughout 2023.

I am excited by the work that we are doing and I trust it brings some measure of hope to many. I look forward to a world that is healthy, fair and safe for all our children.



Kate Hampton, CEO
13 June 2024

As the external environment continues to test our collective efforts, I remain optimistic about what can be achieved and believe that the changes we are making to the way CIFF operates will strengthen our contribution.

2023 by the numbers

\$516m

Charitable Investment Approved

CIFF approved \$516 million of charitable investments in 2023. This exceeds 2022 approvals by \$116 million and means we expect disbursements to increase further in coming years.

\$578m

Grant Disbursements

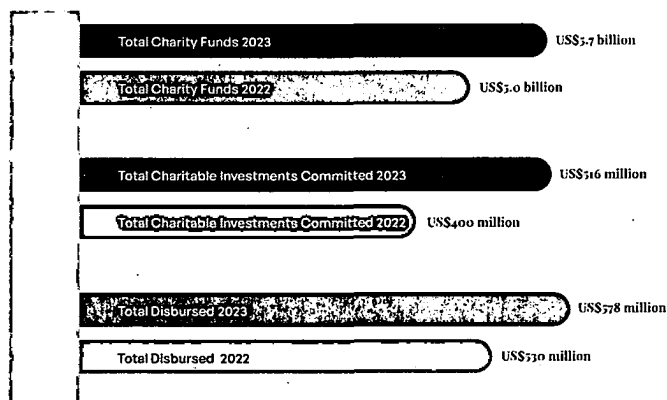
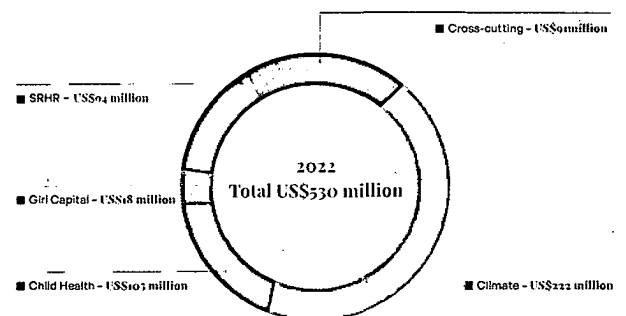
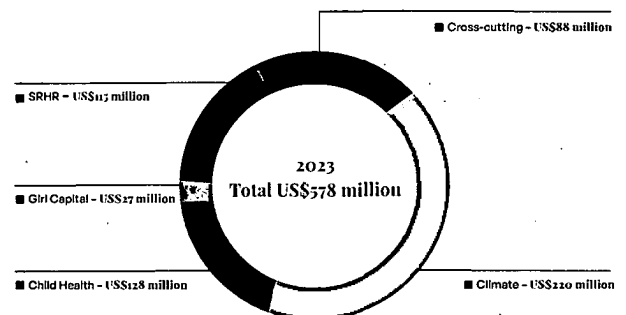
CIFF disbursed grants of \$578 million in 2023, an increase of \$48 million compared to 2022.

\$5.9bn

Endowment

Investment returns and income from our endowment assets were positive in 2023, and after charitable expenditure the closing endowment value for 2023 increased to \$5.9 billion. The size of the original endowment and the excellent investment returns achieved over the years continues to give us the financial strength and stability to make substantial long-term commitments to the work of our grantees.

2023 Disbursements by programmatic area vs 2022



Impact Highlights in 2023

Positive Impact at CIFF can come in many forms and we're proud of the results we've achieved together with our implementing partners that contribute to our overarching mission of a safe, healthy and fair world. This report reflects the wide range of work we have been involved in during 2023 and these are some highlights from across the organisation.

Climate: Global momentum towards a greener renewable energy future was solidified in 2023. At COP28, Heads of State committed to collectively **triple the world's installed renewable energy generation capacity** to at least 11,000 GW by 2030. China is now on track to meet its 2030 target of 1200 GW five years ahead of schedule. The EU adopted the REPowerEU strategy, raising the 2030 renewable energy target from 40% to 45%.

Read more about our climate work on pages 11, 12, 20, 21 & 22.

Nutrition: CIFF's work to scale evidence-based nutrition to policy helped with the **distribution of almost 50 million tablets of locally produced Multiple Micronutrient Supplements (MMS)** in pharmacies across Bangladesh since its launch in July 2021. The Government of Bangladesh has developed a plan to allocate \$30 million to procure 150 million MMS tablets over the next 5 years.

Read more about our nutrition work on page 14.

SRHR: The scale-up of self-injectable contraception reached critical milestones with **one million women self-injecting over 2023**, representing 15% of global use (compared with 1% in 2019); and trailblazer countries like Uganda, Nigeria and Malawi reporting self-injection above 30%, transforming the way contraception is delivered. Furthermore, in 2023 alone, the **Step-Up platform reached 1.7 million young women** across Burkina Faso, Democratic Republic of Congo, Mali, Niger, Nigeria and Senegal with contraceptive choices, half of which opted for the most effective long-acting methods.

Read more about our SRHR work on page 13.

India: CIFF has supported the world's largest Skill Impact Bond led by the National Skill Development Corporation (NSDC) – a one-of-a-kind public-private partnership model in India under the aegis of the Ministry of Skill Development and Entrepreneurship. In year two of its implementation, it has **enrolled close to 18,000 young people successfully** in employment.

Read more about our work in India on pages 18-19.

Africa: In 2023, CIFF supported the work of Food4Education and within 8 months, **Africa's largest 32,000 ft² Giga kitchen** was constructed, operational and will ultimately be able to provide 60,000 meals a day. By December 2023, the kitchen was functioning at 50% capacity, serving hot lunches to **28,800 children**, with plans to work at full capacity by the beginning of 2024.

Read more about our work in Africa on pages 16-17.

New Partnership Initiatives in 2023

Whilst achieving impact is the intended outcome across all of CIFF's investments, strong and meaningful partnerships are the vehicles through which this is able to happen. In 2023 we celebrated a wide variety of new partnership announcements, bringing together financing and resources focused on the world's most pressing needs. We look forward to witnessing the progress made by these initiatives in years to come, to help further meet our collective long-term goals.

The Global Initiative on Digital Health (GIDH): During India's G20 Presidency, CIFF supported the GIDH, an initiative spearheaded by the Ministry of Health & Family Welfare and managed by the WHO. Through digital transformation, GIDH will improve healthcare service delivery by leveraging digital health innovations and solutions across the world. This network and platform will facilitate the implementation of the WHO's Global Strategy on Digital Health 2020–2025.

Closing the SRHR commodity financing gap: At the UN General Assembly we worked closely with UNFPA and the World Bank's Global Financing Facility (the GFF) to highlight the financing gap for family planning commodities, which will cumulatively reach \$1.5 billion by 2030. UNFPA and the GFF will work together to accelerate countries' access to SRHR commodities.

Africa Climate Summit: CIFF supported the first ever Africa Climate Summit, held in 2023 and brought together governments and Heads of State across the continent to help tackle the climate crisis. The conference encouraged African leaders to make bold and ambitious commitments which resulted in a collective \$26 billion pledged in new financing.

CIFF/GAVI: We joined forces with Gavi in a \$30 million partnership with the goal of integrating immunisation, nutrition and social protection programmes in Ethiopia. This initiative, being implemented by UNICEF, will help address the dual burden of malnutrition and infectious disease.

Climate Shift 2023: During New York Climate Week, Climate Lead held the exclusive Climate Shift 2023 event, co-hosted by Sir Christopher Hohn alongside other renowned philanthropists. The event aimed to inspire emerging climate funders to speed and scale their climate giving. Climate Lead's bespoke advisory support to philanthropists has resulted in significant new funding for the climate community.

Overview of our work in 2023

Global

Climate

CIFF has continued to prioritise climate action, as we recognise that it is one of the single greatest threats to children today and in the future. Our focus stems not only from the direct impact of climate change on children's lives but also from the understanding that a safe climate is fundamental to create a world where children can thrive. Working alongside dedicated partners we have remained determined in our efforts to reduce global emissions, aiming to limit temperature increase to 1.5°C above pre-industrial levels. In the face of complex challenges and opportunities, we have developed strategies that are bold, resilient and sustainable. This involves working with global institutions and networks, advocating and mobilising resources for climate, and partnering with local organisations to develop bespoke approaches for different regional contexts. For more detail on our regionally led work, see pages 17 (Africa), 18 (India), 20 (East and South East Asia) and 22 (Europe).

Transition finance

In 2023, CIFF continued to support the development and consolidation of voluntary and mandatory climate transition plan frameworks. Significant progress was achieved, including the **finalisation of the International Sustainability Standards Board's global sustainability disclosure standards**.

CIFF's support has facilitated the implementation of climate disclosure requirements by the EU, with **legislation mandating thousands of companies to disclose key elements of their climate transition plans**. In Europe, our partners advocated for an ambitious Corporate Sustainability Due Diligence Directive (CSDDD) which will mandate large companies to implement climate transition action plans aligned with the Paris Agreement. **This groundbreaking regulation is expected to have global impacts.**

CIFF has remained actively involved in supporting voluntary disclosure initiatives. Our partner **CDP saw corporate disclosure rates increase by almost 30%** globally in 2023 compared to 2022, reflecting the collective efforts of CIFF and its partners. We have also prioritised capacity building – by providing training and resources to corporate board members, investors, auditors and regulators, CIFF partners helped **empower real-world actors to develop and implement credible climate transition plans**.

In climate and across all CIFF's priority areas we need to see more and higher quality finance in order to reach our global objectives. A key route to this is through reform of the multilateral development architecture, to create a finance and governance system which delivers for all. The Paris Summit

for a New Global Financing Pact in June 2023 provided an opportunity to build on the important Bridgetown Initiative which seeks to reform existing institutions in order to **finance climate-resilient development and achieve the SDGs**. \$26 billion was pledged to support climate initiatives at the Africa Climate Summit, where CIFF and partners supported the African Union's new opportunity narrative on a just green transition.

Global Climate Highlights

In 2023, CIFF approved investments to spearhead new philanthropic infrastructure that will drive **greater funding into cultural sectors, as well as industrial decarbonisation**. We also continued to identify gaps to better support our grantees and the wider climate ecosystem. This included collaborating with major climate funders to redefine grantee reporting, as well as analysing issues, opportunities and pathways to fiscal sponsorship and regranting.

Fostering collaboration and bringing partners together is essential to driving climate action forward. In 2023, several of our regional climate foundation partners came together to form a new coalition – **ReNew2030 – to increase global wind and solar power by five times in the countries responsible for over 80% of power sector emissions**. We also led several ecosystem convenings on topics such as regenerative agriculture, financing and transition plans.

In 2023 we supported many of the key global moments which helped build momentum around climate action, including the Paris Summit for a New Global Financial Pact, the first ever Africa Climate Summit, as well as COP28. At COP28, our CEO, Kate Hampton, served on the advisory committee, providing consultative advice to the Presidency throughout 2023 to help make further progress in the face of huge environmental challenges. **During the summit there was a clear call to action for ambitious targets combined with practical implementation strategies to ensure the world is able to meet the major climate milestones ahead**. Focus was on both support for renewable energy seen in the commitment from world leaders to triple renewable energy capacity to 11,000 GW by 2030, as well as the urgent need to phase out super-pollutants, seen through the joint three-year \$450 million commitment by climate philanthropies to accelerate the phase-down of methane amongst other super climate pollutants.

Sexual & Reproductive Health & Rights

Universal access to SRHR is fundamental for individuals to achieve their full potential and essential if countries are to reach their intended development goals. In 2023, we continued to see the political, economic and social threats that impact SRHR progress, further exacerbated by humanitarian crises, climate change as well as ideological shifts and rising polarisation. However, in the face of these challenges, 2023 also saw important advances. We worked with a range of partners to further close the funding gaps for family planning commodities, strengthen government ownership of SRHR, improve equitable access and increase the reach of self-managed contraception, HIV self-testing and access to quality safe abortion or post-abortion care.

Increasing access to comprehensive family planning choices

Self-managed contraception is one of the most important innovations in SRHR. In 2023, we helped expand access to self-injectable contraceptives (DMPA-SC), by re-investing in the Injectables Access Collaborative (IAC), continuing to scale the Delivering Innovation in Self-Care initiative (DISC), led by PSI, and increasing manufacturing capacity. **The DMPA-SC partnership is expected to deliver more than 320 million doses of self-injectable contraceptive by 2030.** In trailblazer countries Malawi, Nigeria, and Uganda, over 30% of women are opting for self-injection. By enabling more women and girls to access a discreet, long-acting contraceptive, self-injectables are proving to be a powerful opportunity to break down barriers, especially in low-resource settings. Moving forward the focus of this work will be on embedding self-care into national health systems.

Scaling access to contraceptive choices also significantly increased through the Step-Up platform, led by our partner MSI Reproductive Choices. Since 2021, **this platform has reached 4 million women and girls with contraceptive choices**, of which a third were under the age of 20 and over 50% opted for long-acting methods. In 2023, **CIFF committed an additional \$75 million** to enable SRHR services for approximately 8 million rural women and girls in West and Central Africa.

CIFF continued our work to improve the safety of medication for post-abortion care and safe abortion services, to reduce

and prevent unsafe abortion. This included CIFF supporting the WHO's Global Action Plan to improve the availability of quality-assured, affordable supplies for the prevention of unsafe abortion. In 2023, we helped bring together stakeholders in this space to identify the most critical gaps in access to supplies. This will continue to be a priority for our funding, moving forward.

Breaking the cycle of HIV transmission

Self-testing is a crucial way to break the cycle of HIV transmission, alongside integrated access to treatment and prevention. Through our partnership with the Global Fund we have been able to help expand HIV self-testing globally. In 2023, in focus countries of Cameroon, Mozambique, Nigeria, Tanzania and Uganda, **more than 70,000 HIV-positive people were linked to care as a result of self-testing services.**

CIFF continued our work to support innovative prevention tools. This included the development of a low-cost saliva-based HIV self-test, which was submitted for regulatory approval and the development of the dual prevention pill for protection against HIV and pregnancy, where 2023 saw the critical milestone of pilot bioequivalence achieved – helping bring it one step further toward availability in the market.

Closing the funding gap for contraceptive supplies:

Global financing for contraceptive commodities is falling far short of demand, with an estimated \$1.5 billion cumulative gap by 2030. Over 2023, CIFF worked with the Global Financing Fund (the GFF) and UNFPA to highlight this issue. At the UN General Assembly (UNGA), **CIFF committed \$50 million to the GFF, as well as a further \$50 million towards broader efforts to end the gap in commodity financing.** This was joined by new commitments from the Gates Foundation and the Government of Germany.

This new wave of funding is intended to help end the cycle of funding shortfalls by shifting from "funding" to "financing"—enabling countries to gradually increase their own domestic financing for reproductive health commodities, rather than relying on donor contributions.

Nutrition

CIFF's work in nutrition is grounded in our research expertise, as we build the evidence-based case for action. In recent years, our partners including Standing Together for Nutrition (ST4N) and the International Food Policy and Research Institute (IFPRI) have led the way in evidencing the extent of the global food crisis, in particular the knock-on implications of rising inflation on food prices and consequently severe acute malnutrition (SAM). As we entered 2023, CIFF was more determined than ever to focus on nutrition as a critical pillar of health for children globally and specifically looked at enhancing the financing and scaling of programmes as well as encouraging nations to prioritise nutrition on the global health agenda.

Global finance for Severe Acute Malnutrition (SAM)

The Child Nutrition Fund (CNF) is a CIFF-funded initiative aimed at supporting the financing of large-scale wasting prevention and treatment. Good progress has been made over recent years thanks to its rapid growth. The CNF focuses on essential government-led actions for the early prevention, detection and treatment of child wasting. Over 10 countries have invested \$15 million of domestic funding to unlock the 1:1 match and, in turn, they have received \$30 million worth of ready-to-use therapeutic food (RUTF) through the CNF commodities match. **This will help ensure approximately 600,000 children can be reached with this lifesaving treatment.**

The Fund was officially inaugurated in November 2023, during the UK's Global Food Security and Nutrition Summit. This was a significant milestone in galvanising action towards ending child malnutrition. Alongside the UK's commitment of £61 million to the Child Wasting Innovation Programme including the £16 million to CNF, the UK also committed a further £38 million to support child nutrition in Somalia over the next 3 years.

Scaling evidence to policy

Progress was made throughout 2023 in CIFF's work to scale an evidence-based nutrition intervention to policy, as seen with CIFF's 'One MMS a Day and a Healthy Baby is on the Way'

investment in Bangladesh. Multiple Micronutrient Supplements (MMS) are a powerful and cost-efficient intervention for pregnant women that support three out of the six global nutrition targets, set out by the WHO: reducing low birth weight, reducing anaemia among women of reproductive age and reducing child stunting.

This initiative alone has resulted in the sales of almost 50 million tablets of locally produced Multiple Micronutrient Supplements (MMS) in pharmacies nationwide since its launch in July 2021. In turn, this has led to significant policy progress, as the Government of Bangladesh has since developed a plan to allocate \$30 million to procure 150 million MMS tablets over the next 5 years.

Integrating nutrition across health services

CIFF has also been seeking new opportunities working with partners to integrate nutrition within broader health programmes. An example of this in 2023 was when **we joined forces with Gavi in a \$30 million partnership with the goal of integrating immunisation, nutrition and social protection programmes in Ethiopia.** This initiative, being implemented by UNICEF, will help address the dual burden of malnutrition and infectious disease. This program will offer essential insight and learnings about wider integrated programming in international development with the aim of delivering stronger health outcomes, while simultaneously saving both time and resources.

Cross-cutting

Evidence Measurement and Evaluation

Through grounding our approach to philanthropy in evidence and analysis, we can drive quality and equity for lasting impact as well as learn and course correct. As well as taking this approach across all our investments, we are also working to strengthen these skills within the ecosystem.

In 2023 this included rolling out an Evaluation and Leadership Training Programme (ELTP) which focused on **strengthening our grantee partners' evaluation and organisational capabilities**. The programme focused on a range of thematic areas to provide growth for grantees beyond the lifetime of any specific programme.

We have also been supporting the African Leaders Malaria Alliance (ALMA) since 2011, developing accountability tracking and prompt action mechanisms for Malaria with African Heads of State, and expanding it into areas of Reproductive, Maternal, Newborn, Child, Adolescent Health, and Nutrition (RMNCAH). In 2023 we helped embed the measurement tool of quality of care scorecards on RMNCAH and community-led care in multiple countries. These scorecards have enabled gap identification and urgent policy actions across key levels of government and stakeholders.

Organisation and Ecosystem Development (OED)

CIFF's Organisation and Ecosystem Development team, which reports to our newly created Chief Ecosystem Development Officer role, is focused on strengthening the ecosystem of partners we work with. Through this work, we provide tailored support to partners to address specific challenges they may face in order to help bring about holistic and systemic positive change. We achieved milestones in our work across each of our four pillars: leadership and governance; programmatic excellence, building resilience, and effectiveness and efficiency.

In 2023, we continued our leadership training programmes for partners and helped strengthen Monitoring and Evaluation capacities: As described in the EME section above, the Evaluation and Leadership Programme (ELTP) aims to enhance professional skills for impactful evaluation. We also helped to strengthen Africa's leadership capacity towards change via the Africa Leadership Training Program (ALP), preparing leaders to drive sustainable systemic change. We also directly supported building institutional capacity through strategic investments to a range of our key partners, including: the European Climate Foundation (ECF), International Solar Alliance, the African

Climate Foundation, Triggerise and Strategic Issues Research Council (SIRC). Our resilience work in 2023 encouraged funders to take a more holistic mindset with the Pay What It Takes (PWIT) India initiative. This helped to promote comprehensive funding models for non-profits. We also looked at ways in which we can enhance decision-making to further support grant strategies.

Equity, Gender and Youth

The Equity, Gender and Youth (EGY) team supports CIFF to take an intentional approach to embedding equity, including gender equity and meaningful adolescent and youth engagement (MAYE); across CIFF's grant-making and partnerships work. In the past year, EGY has invested to accelerate implementation of global and regional gender equality and SRHR commitments, through i) strategic investments in the UN Women-led multi-stakeholder Generation Equality process, FP2030 and the Feminist Foreign Policy Collaborative; and ii) by supporting civil-society and youth-led accountability efforts through partnerships with the Global Fund for Women, Black Feminist Fund, and Nala Feminist Collective. EGY has also partnered with the SRHR team and other funders to lead the scoping and design of "Leaders for Reproductive Health", a new fundraising effort, which will mobilise new high net wealth individual capital for SRHR.

In collaboration with the EME team, EGY has also advanced internal rollout of equity tools and staff capacity-building, resulting in 71% of new CIFF investments in the Children's Portfolio being rated equity-sensitive. In addition, EGY has partnered with the Climate team to develop a tailored equity mainstreaming approach for the Climate portfolio, focused on embedding just transition principles and approaches. In support of CIFF's broader DEI commitment and thought leadership agenda, EGY has continued to support targeted evidence-building investments to advance impact and best practice associated with Meaningful Adolescent and Youth Engagement approaches, and building evidence on the impact of structural racism on women's and children's health outcomes.

Big Win Philanthropy (BWP)

As of December 2023, CIFF had paid twelve grant instalments, totalling \$216 million to Big Win Philanthropy. The specified purpose of the grant to BWP is the improvement of the lives of children, young people and families in need in developing countries or countries in crisis.

Africa

CIFF's vision in Africa is to ensure future generations have the health, economic opportunity and agency to contribute to a thriving and self-determining Africa.

Throughout 2023 we have continued to center our work on three core pillars: **Girl Capital** aims to ensure girls have equal rights and opportunities to achieve their full potential and contribute to prosperous societies, **resilient communities** works to ensure all children are born healthy and can thrive in communities that are resilient to external challenges and **For Africa By Africa** feeds across all areas of our work and aims to catalyse African giving and government funding to improve the lives of children and deliver Africa's development agenda.

Helping girls reach their potential through Girl Capital

Across our integrated programming for girls in 2023 we saw several long-standing CIFF-funded initiatives continue to scale their impact and gain national endorsements. The RISE Acceleration campaign, which aims to support adolescent girls to make their own family planning choices, grew in strength, accountability and effectiveness. This helped RISE to reach more girls every month with an increase of 5,000 girls per month in 2022 to 12,000 girls per month in 2023. **Overall, almost 200,000 girls became adopters of the RISE programme, compared with 50,000 last year.** During 2023, this success was recognised by the Ethiopia Federal Ministry of Health (FMOH): RISE was highlighted as one of its flagship integrated programmes and they are now developing a scale-up strategy

for 2024. The programme's successes have been multifaceted – as well as the significant scaling, it has also helped address long-standing socio-cultural barriers that encourage child marriage, and in turn helped girls stay in school for longer.

We have seen similar scaling impact from our work on Development Impact Bonds (DIBs). Following the successful implementation of the first DIB in 2020, co-funded by CIFF and the FCDO, UNFPA launched the 2nd Kenya Adolescent Sexual Reproductive Health (ASRH) DIB. This is aiming to substantially scale, **providing 425,000 family planning services and 135,000 HIV services to adolescent girls.** It will also have an equity focus and target communities experiencing multi-dimensional poverty.

CIFF has been working to support prevention against GBV through our work with local organisation, Ujamaa Africa. In its first year of implementation, **the programme has well exceeded its targets: 493% of the target number of teachers were trained to roll out the curriculum in their schools and 179% of the annual target students were trained on the Ujamaa curriculum** which is the first dual gender GBV prevention programme in the world.

CIFF was proud to support a milestone year for CAMFED in 2023, as they won their Audacious fundraising proposition to expand its model. CAMFED has already supported 1.8 million girls to succeed in school since 1993 and continues to champion and empower girls' education and women's leadership through

supporting them to succeed and lead. **The ambition is to reach an additional 5 million girls in the next 6 years to complete secondary school and beyond, to graduate into secure livelihoods and leadership roles.** CIFF's founder, Sir Christopher Hohn, made a further \$25 million personal commitment to CAMFED, to help build further momentum of philanthropic funding. Overall, they were able to raise \$100 million in philanthropic funding, which will help further CAMFED and CIFF's shared mission of supporting girls to thrive, build power and change communities.

Building Resilient Communities through sustainable programming

Our resilient communities work is about embedding sustainable programmes that have a lasting affect that are ultimately led and continued by the communities affected. Essentially, ensuring children are born healthy and can thrive in communities that are resilient in the face of political, health, economic and climate shocks.

CIFF's mission to eliminate Neglected Tropical Diseases (NTDs) continued throughout 2023 with some significant milestones reached. In May 2023 the WHO officially announced that **Benin had been validated as having eliminated trachoma as a public health problem.** As a result of partnerships at every level, this milestone demonstrates that elimination is not only possible, but that success can be replicable. The Accelerate programme has helped Benin reach elimination sooner, meaning now 3.4 million people are no longer at risk of losing their sight and being affected by this painful and life-changing disease.

Safe-drinking water, clean sanitation and hygiene (WASH) are crucial building blocks to build resilient communities and are therefore a fundamental aspect of our Africa strategy. Our team is supporting programmes which deliver sustainable WASH access for communities across our target countries.

One key highlight from this portfolio in 2023 was in CIFF's flagship programme, Geshiyaro – which aims to prevent transmission of disease by improving access to clean water services. **This work resulted in above 85% access to water in 2023** as well as stopping open defecation, improving access to basic sanitation services to more than 82% and improving handwashing with soap practices in the targeted five districts in Ethiopia.

Our **nutrition** portfolio in Africa continued to grow in 2023, encompassing different types of intervention, from an innovative school feeding programme in Kenya, to the growth of nutrition in maternal and newborn care, to great strides in the rollout of Multiple Micronutrient Supplement (MMS). A key highlight from last year was our collaboration with **Food4Education to expand a ground-breaking school feeding program model in Kenya.** Within 8 months, Africa's largest 32,000 ft² Giga kitchen was constructed and operational, capable of providing 60,000 meals a day. By December 2023, the kitchen was serving hot lunches to 28,800 children, with plans to work at full capacity by the beginning of 2024. Furthermore, in June 2023, Food4Education, supported by our founder, Sir Christopher Hohn, partnered with the Nairobi County Government (NCG) and committed to offer lunch meals to all public primary school children through a 1:1 matched funding of \$10 million. This collaboration prompted the county government to commit to constructing 19 additional

kitchens in a phased approach. By the end of the 2023, Food4Education had served over 1.1 million meals from the Giga-kitchen and generated employment for over 800 kitchen staff from both the Giga and Nairobi County kitchens.

Underpinning all this work, strengthening Health Systems is crucial to ensure sustainable health outcomes for the community and to reaching child health and development outcomes. In Kenya, the nationwide implementation of a publicly financed primary healthcare system was launched in 2023, emphasising the expansion of community health systems. **This initiative involved upskilling, equipping and remunerating 110,000 community health promoters.** Through enhancing the performance and value of community health promoters and by supporting health facilities we can ensure the delivery of quality to care.

Climate

Although Africa has contributed minimally to global emission levels, it is disproportionately one of the most vulnerable to the negative impacts of climate change. Therefore, climate is a key focus area in our work across the continent.

In 2023, the African Climate Foundation (ACF) continued to be a key strategic partner in supporting South Africa, Senegal and other priority countries on Just Energy Transition Partnerships (JETPs). The South Africa JETP was first launched at COP26 to help utilise a mix of public and private financing mechanisms to accelerate the process of energy transition. To support this initiative, **ACF launched the New Economy Hub at COP28, which is designed to support policy and advocacy on energy transition in South Africa.**

2023 also saw the first ever **Africa Climate Summit which resulted in a commitment of \$26 billion to tackle the climate crisis on the continent.** This was pledged for green investments and was accompanied by key climate finance asks around multilateral development bank reform, carbon market development, and debt and fiscal reform to make the international financial architecture work for Africa. CIFF had a significant role in supporting the Summit.

India

Following a strategic review last year, 2023 was our first year of implementing a refreshed India 2.0 approach. A cornerstone of this was the belief that development innovation from India holds global potential and thus the work we do in India matters not just for India but for the wider global ecosystem.

Showcasing Indian Innovation Globally

India's G20 Presidency was a resounding endorsement of India's global development potential. The identification and sharing of best practices was a central feature across over 40 working groups. Several CIFF-supported programmes were also recognised as best practices, including low carbon agriculture and girls' skilling and job creation.

One example includes the Participatory Learning Action (PLA) methodology developed by CIFF's partner Ekjut was recognised as a best practice by the Think20 (T20) and included in the 'idea bank' of the G20. **PLA has proven effective tool to reduce newborn deaths by 24%.** It has garnered interest for scaling by multiple Indian state governments and internationally in Africa and South Asia. Observer Research Foundation, as Chair of the T20, also played a key role in bringing together stakeholders from the Global South to foster discussions anchored in policy research. We continue to assist the deepening of these networks through the current and upcoming G20 presidencies, for continued engagement with governments, research institutions and civil society organisations to highlight India as a "lighthouse" shaping the global development discourse.

Building Global Institutions from India

Beyond the G20, as countries like India and others become significant economic players and express their commitment to global betterment, there is a need to bolster robust South-led institutions capable of efficiently channelling and realising this commitment.

CIFF takes pride in its collaboration with the Indian government to be an early supporter of several initiatives. One such example in 2023 was the Global Initiative for Digital Health (GIDH). Over \$500 million is spent annually on digital health investments globally, however, most of it remains siloed, duplicative and sub-scale. GIDH was launched during India's G20 Presidency by the Ministry of Health & Family Welfare and the WHO to solve this by becoming a global clearing house of vetted digital health solutions. As part of this work, CIFF will also support digitisation of Primary Health Care in specific Indian districts, sharing best practices for wider adoption through GIDH.

Furthermore, since 2022, CIFF has also been supporting the International Solar Alliance (ISA) in creating a conducive regulatory and policy environment in member countries to increase solar deployment. In 2023, CIFF, along with philanthropies, pledged its support for the Global Solar Facility, along with the Government of India, which is also considering an **additional \$25 million, to provide clean energy access to around 40 million African households by 2030.**

Scaling programmes in partnerships with the government

In India, the government accounts for 95% of all spending on social issues – thus any attempt at systemic and sustainable impact can only be through collaboration with the government. Therefore in 2023, collaboration with government continued to be the cornerstone of our work in India and we entered four new partnerships with state governments and central ministries.

India has set ambitious goals to **expand contraceptive choices and shift India's contraceptive method mix towards reversible and user-controlled methods**. CIFF and our partners have been supporting this mission and in 2023 helped the Ministry of Health and Family Welfare (MoHFW) to develop guidelines to introduce new contraceptive methods such as injectables and implants. We are in the process of supporting the roll-out of these new methods across five states (Madhya Pradesh, Rajasthan, Delhi, Assam and Karnataka). This work will help expand contraceptive choices to over 2.1 million women in the country. The impact of this work is not just about providing women more contraceptive choices, but to help them be healthier, have healthier children, have the option to stay in work and be more financially empowered.

Babies with low birth weight are 3.5 times more likely to be malnourished as children. CIFF has been partnering with the Government of Rajasthan to reduce low birth-weight through improved antenatal care which has shown promising results. In 2023, we partnered with the Government of India to share lessons and best practices from this Scaling Quality Anti-Natal Care (ANC) work with other states as a result of which the program is now being scaled across ten states.

CIFF's partners have also been working with cities such as Delhi, Pune and Pimpri-Chinchwad to help them drive electric mobility – setting up the EV cell in the municipal corporation and ensuring the right set of guidelines for first and last mile connectivity (charging infrastructure, ease in usability and more).

This work has shown promising results with cities such as Delhi and Pune showing some of the highest EV adoption rates in the country. These results have now led to the programme being scaled up in over seven new states.

East & South-East Asia

CIFF's work in East and Southeast Asia tackles the greatest climate challenges and supports the region's low carbon transition. Our primary focus is on China, with expanding portfolios in Japan, South Korea and countries in Southeast Asia, including Indonesia, Vietnam and the Philippines. The ascending emissions driven by growing economy of the region and its urgent need for green transition make climate action here essential to meeting global climate and development targets. We work in the region to not only promote domestic decarbonisation but also foster global collaboration on green growth.

Supporting China's domestic green transition and overseas green investment

In 2023, China furthered its transition to a low-carbon future. **Its wind and solar energy was on track to achieve the target of 1200 GW by 2030 five years early, and the penetration rate of new electric vehicles (EV) rose to 31.6%.** It also reinforced green investment through the belt and road and continued its contribution on global climate momentum. CIFF and its partners kept supporting these critical steps by providing technical supports and intensifying global-south cooperation.

Boosting sectoral and sub-national implementation: With CIFF's support, Energy Research Institute (ERI) enhanced mechanism design and scenario analysis for renewable energies

scale-up and energy system transition, and published its annual flagship report of China Energy Transition Outlook. Energy Foundation China (EFC) worked with partners to provide technical supports to strengthen incentives and pilots for accelerating EV penetration. Sub-national efforts for implementing carbon peaking and neutrality target were also solidified by CIFF's partner network through technical assistance on energy and industries transition roadmaps and action demonstration.

Greening overseas investments: After co-convening the establishment of the BRI International Green Development Coalition (BRIGC) to facilitate south-south cooperation on green transformation, in 2023 CIFF continued to partner with the Coalition to co-initiate the Green Investment and Finance Partnership. This encourages Chinese financial institutions and investors to mobilise investments for green transition projects in BRI countries.

Enabling constructive international exchange: in 2023 CIFF and partners facilitated multiple dialogues around COP28 to enable meaningful discussion on international climate cooperation. CIFF also worked with its partners and experts to advise on global climate governance and transition actions through platforms such as the China Council for International Cooperation on Environment and Development (CCICED).

Driving energy transition in Southeast Asia and the broader region

In the Association of Southeast Asian Nations (ASEAN), 2023 saw solar and wind capacity increase by 20%, putting the region on track to surpass its renewable energy target by 2025. CIFF and partners have been focusing on tackling the bottlenecks of grid infrastructure and implementing effective renewable policies.

In Indonesia, our partner the Energy Transition Partnership (ETP) collaborated to help increase the capacity of the grid to manage high levels of renewable energy, directly impacting 160 million people across Indonesia's most populated Java-Bali Island. Tara Climate Foundation has also supported Indonesia's Just Energy Transition Partnership which outlines a 34% renewable energy target by 2030.

In Vietnam, the Global Wind Energy Council provides technical support on the development of offshore wind deployment.

The 6GW target by 2030 adopted by Vietnam would equal approximately 4% of the country's total electricity needs and contribute to their 47% renewable energy target.

In the Philippines, our local partners supported policy design to enable a greater renewable energy uptake in the country.

Our partners in South Korea have supported policy design to enable a greater renewable energy uptake in the country.

Europe

CIFF's work in Europe is focused primarily by our climate portfolio as we work to accelerate a just and equitable transition to a low emissions future. Working within a dynamic socio-political and economic environment has presented challenges throughout 2023, however, CIFF partners have made encouraging progress moving us closer to our goal of cultivating a prosperous, sustainable and healthy society for all.

The year before the EU elections was busy. While there is still a lot of work to be done, **most of the policies under the European Green Deal have now been adopted.** A major milestone included the 2030 energy package. **This year, we saw an increase of the 2030 target for renewables from 40% to 45%, almost double the existing share of renewable energy in the EU.** We also saw the EU Buildings Law which sets a new and more ambitious energy performance criteria, a Grids Action Plan which will ensure that electricity grids operate more efficiently, and a revised Renewable Energy Directive. This contributed to a record year for Europe's energy transition, with wind and solar now making up 27% of the EU's electricity mix. Our partners, including the European Climate Foundation, supported the process by providing analysis and challenging the need for new liquefied natural gas investments, pushing for political attention for more grid investment, advocating for consumer protection, and responding to community concerns.

The EU also approved **new methane regulations on domestic and imported fossil fuel production, which is expected to significantly reduce emission levels.** CIFF's partner, the

Global Methane Hub, will support the implementation of these regulations through a new and collaborative consortium of European NGO's.

Furthermore, the climate and health nexus has risen on top of the political agenda. The European Parliament adopted the Ambient Air Quality Directive that aligns to the WHO's updated air quality guidelines. **CIFF's partner, the Clean Air Fund, coordinated and promoted alignment between NGOs, policy and industry communities, and decision-makers, as well as conducted polling to showcase the strong public support to strengthen ambition.**

Strategic Report

Strategic Report

Section 172(1) Statement

In preparing the Strategic Report, the Trustees have considered their duty to promote the success of the Foundation under section 172(1) of the Companies Act as interpreted in accordance with section 172(2) given the Foundation's charitable objectives. As such, the Board confirms that in its decision-making, it considers:

- Long-term consequences
- The interests of employees
- The public benefit of the Foundation's work
- Impacts on the community and the environment
- Maintaining a reputation for high standards of conduct
- The need to foster relationships with suppliers and grantees

Engagement with the Foundation's stakeholders is integral to developing and executing on the strategy to achieve its charitable objectives. The voices of its beneficiaries, grantees, partners and employees are not only heard but promoted to increase the effectiveness of its work for the public benefit. These voices form part of the Foundation's commitment to continual learning and development, in the context of specific charitable programme objectives but also in terms of how the Foundation operates and its aim to address matters such as diversity, equity and inclusion in all its work.

In making decisions about the Foundation's charitable work, the Trustees consider many factors and most importantly, in relation to its grant-making activities, the opinions and advice of independent experts appointed to its Investment Committees (as described further below). Grant-making activity is also informed through regular engagement with grantees, including through a grantee survey which enables grantees to provide valuable input regarding the Foundation's programmes. Grantees are also encouraged at all times to raise issues or concerns and these are relayed to the Trustees (and other advisors) through regular portfolio review meetings.

During 2023, the Foundation's Investment Committees and Board continued to make decisions to support the Foundation's long term charitable strategy and objectives. In doing so, the Foundation has had to diligently and proportionately anticipate and adapt to changes in the global economy, including inflation and higher interest rates, and their interplay with political decisions related to development funding in both developed and developing countries. The Investment Committees and Board use real-time information and expert advice to understand how these factors impact the Foundation's finances, investments and programmes, including impacts on grantees' operations and ultimate beneficiaries. In this challenging environment the Foundation is happy to have increased its charitable grant disbursements in 2023 to US\$578 million (2022:US\$530 million).

In addition, in 2023, TCI Fund Management Limited renewed its US \$160 million donation which will be paid to the Foundation over the course of 2024. The donation is intended to assist the Foundation in furthering its charitable purposes and will accordingly supplement the Foundation's endowment in providing further resources for its programmes.

The Trustees also regularly rely on the advice of external charity lawyers regarding regulatory and other matters related to the

management and operation of the Foundation. This advice is received from experts that are able to advise on modes of governance, operation and transactions in a manner that fully reflects regulatory requirements, Charity Commission guidance and general best practice. Appropriate legal and other technical advice is obtained from local experts in relation to the Foundation's overseas operations and programmes. This advice, as well as advice from the General Counsel is relied upon by the Board in making decisions that ensure the Foundation's reputation for high standards of conduct are maintained.

The Foundation's General Counsel and Head of Compliance provide the Board with updates on any incidents that take place in the context of the Foundation's work at every Board meeting. Legal and Compliance are also integrally involved in all programmes that the Foundation develops and implements.

The Foundation is actively engaged with its staff and a detailed description of that engagement is set out on page 25. The Board and the Remuneration Committee receive information regarding the Foundation's employees, mainly based on information obtained from employee surveys conducted throughout the organisation. This information serves as a backdrop to the Board's decision-making and covers matters such as work-life balance / wellbeing, home working policies, remuneration, job satisfaction and culture.

The Foundation, like many organisations, has been on a learning journey in relation to diversity, equity and inclusion and anti-racism. This journey has been informed by a number of stakeholders, from employees to grantees and beneficiaries. All employees have received information and training on these issues both internally and through third party experts and advisors.

Social Impact of CIFF's Operations

At the heart of CIFF's People Strategy, our overarching aspiration remains to "build world-class talent and capability to transform the lives of children and provide an environment where all members of the CIFF Family can be at their best and realise their full potential." Building on the localised HR team now in place, 2023 saw a continued focus on building an open and inclusive culture, grounded in empowered, positive leadership, all through a lens of learning and high performance.

A continued focus on building an open and inclusive culture

2023 saw the further building of an open and inclusive culture across CIFF, underpinned by psychological safety. The Employee Forum continued to provide a key channel for staff to raise and discuss issues and initiatives at a CIFF level, providing critical insights to the Executive Team alongside our weekly staff pulse tool. Embedding of the Code of Respect into the way we work has moved forward at pace, underpinning CIFF's culture across all corners of the organisation, and all teams have used the Code as a helpful lens for self-reflection, discussion, change and celebrating success. Work has continued to embed and communicate our fair and equitable processes, including talent and promotion, with Reward a key area of focus during 2023. Open and transparent communication with staff on our strategic approach to reward and what this means at an individual level was supported by the Employee Forum and very well received. Our critical focus on wellbeing has also continued, with consistent feedback from staff that our flexible approach to hybrid working, No Meeting Fridays, and the individual wellbeing allowance support them in this area.

Empowered and positive leadership

Underpinning an open and inclusive culture is leadership, and 2023 saw CIFF's Executive Team continuing their development journey, as well as further empowerment of the Director cadre. This has been enabled via a range of initiatives including the introduction of core strategy discussion groups and new Board Academy training, rolled out to support senior staff on Grantee and Partner Boards. Continued underpinning clarity on expectations in terms of leadership across all levels of the organisation on both the 'how' and the 'what' of the way we work together has continued to come from the CIFF Leadership Behaviours and Code of Respect, with 360 feedback gathered both as part of the formal performance management process and flexibly across the year.

A lens of learning and high performance

2023 saw a focus on enabling consistently high performance and growth for staff across all levels, via an enhanced performance management process, supporting training for line managers and individuals, and a continual focus on learning, development and upskilling fully aligned to CIFF's objectives. This included the continued rollout and embedding of coaching across all CIFF staff, as well as the delivery of a range of bespoke training programmes including communication masterclasses, effective relationships, and people management. Our all-staff DEI Learning Journey, now in its second phase, also continued, with input from external experts and team-level discussions on actions. And a suite of online learning available via our new HR digital platform provided flexible and tailored learning options across a wide range of topics for staff to support high performance and growth.

Reducing the environmental impact of our operations

We are committed to reducing our carbon footprint in line with best practice guidance and regulation. As part of our grant-making activities, we support a range of civil society initiatives which provide guidance to companies and other organisations on how to address their climate impact by developing credible climate action plans. We also support initiatives which provide guidance on what constitutes a high-quality carbon credit and its credible use.¹ Ultimately strong regulation on transition plans is required, but within this delivery gap these voluntary initiatives play an important role.

CIFF is working towards full compliance with all the existing guidance set out by critical voluntary standards and we have taken steps to reduce our emissions and disclose our emissions inventory.

CIFF’s Climate Transition Plan

In the 2022 Annual Report, CIFF committed to publish a Climate Transition Plan in advance of the FY 2024 Annual Report due in September 2025. Expectations around credible Climate Transition Plans are growing and mandatory climate disclosure regulation is coming in key jurisdictions that CIFF operates in (UK, EU, US, India, China). CIFF wants to lead by example, encouraging peer funders, grantees, and suppliers to also develop and implement credible climate transition plans. To initiate this process, CIFF has established an internal Climate Transition Plan working group, which draws on expertise across our legal, finance, HR, operations, and climate teams, representing all our regional offices. We are also drawing on external expertise to ensure that we develop a gold-standard climate transition plan which reflects our ambition to reduce GHG emissions in line with 1.5°C, as per the Paris Agreement.

For the purposes of this year’s annual report, we have adopted best practice measures from the array of guidance. We continue to: a) independently measure our emissions, b) take action to reduce our operational carbon footprint, and c) purchase high-quality carbon credits as contribution to a global net zero goal. In purchasing these credits, we do not make any “carbon neutral” claim or similar that might imply a net reduction in our carbon footprint. We also recognise wider consideration of the Foundation’s value chain is required to fully assess the environmental impact. Given a significant portion of our value chain’s environmental impact is the financed emissions associated with our endowment investment portfolio, we are continuing to report on emissions in relation to our public equity positions.

Operational emissions

Independent Measurement

CIFF has appointed Carbon Footprint Ltd to independently assess its Greenhouse Gas (GHG) emissions for our buildings and operations in accordance with the UK Government’s ‘Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance’.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

We have been assessing our carbon emissions with the support of Carbon Footprint since 2019, including backdated estimates to aid the purchase of carbon credits back to July 2016. The table below summarises the GHG emissions of our buildings and the majority of our operations for reporting year 2023 together with prior period actuals.

Activity	January 2023 to December 23 (12 months)	January 22 to December 22 (12 months)
Total energy consumed (kWh)	131,180	130,313
Total Gross Location-Based Emissions (tCO ₂ e)	3,508	1,928

¹ Key initiatives we have supported include the IC-VCMI’s Core Carbon Principles (CCP) and Assessment Framework, published in July 2023. The Integrity Council expects to begin announcing CCP-approved credit types later this year. VCMI’s Claims Code of Practice was published in November 2023, providing guidance for companies to make credible ‘Carbon Integrity’ claims about their voluntary use of carbon credits.

Methodology and calculation changes

The carbon calculation for 2023 incorporates well-to-tank estimates for travel (previously not included) and changes to UK government (DEFRA) produced factors for flight carbon calculations. The impact of the adjustments is an increase in carbon of approximately 700 tCO₂e in 2023.

Reductions

Since the last reporting cycle, we have taken a number of steps to reduce our emissions. This includes:

- Buildings – Nairobi Office awarded EDGE Certification for resource-efficient and environmentally sustainable building design and construction – the first project of its kind to achieve EDGE certification in Kenya.
- Travel – overseas travel (flights) is our largest source of greenhouse gas emissions. This has increased as the world emerged from the COVID-19 pandemic, however, continues to be less than pre COVID-19 in per capita terms. We continue to take steps to reduce the associated emissions, for example, we encourage the use of virtual meetings and alternative lower carbon forms of transport wherever possible. Where flights are necessary, we aim to combine several meetings and events to reduce the total number of flights. Notwithstanding our plan to develop a complete Climate Transition Plan, we still intend to adopt targets to reduce travel from 2024 consistent with halving global emissions by 2030.

Contribution

We continue to purchase high-quality carbon credits. The volume of carbon credits purchased is calculated by adding our buildings and the majority of our operations emissions for the past year, plus the estimated emissions for the coming year, plus 8% as a buffer. In purchasing these credits, we do not make a "carbon neutrality" claim or any claim that signifies a reduction in our carbon footprint or substitution for internal emission reductions. For now, these credits are purchased as a financial contribution towards high-quality development, in support of market-based mechanism for sectoral emission management and breakthrough technologies that are all contributors towards a global net zero goal. In future, we intend to align any claims with VCMI's Claims Code as part of our Climate Transition Plan.

Carbon emissions for CIFF buildings and operations have been calculated for the period from July 2016 to December 2023 and estimated for 2024, totalling 19,278 tCO₂e. In addition to 11,520 tCO₂e of carbon credits purchased in 2019 and 2,800 in 2023, during 2024 CIFF purchased 5,000 tCO₂e of high-quality carbon credits.

In absence of CCP-tagged credits, all voluntary credit purchases have been made from projects for which the underlying methodologies have been submitted to IC-VCMI for CCP assessment. This year, we have purchased a mixed portfolio of credits derived from voluntary and regulated markets, as well as direct air capture removals (DAC). This portfolio reflects our view that voluntary carbon markets can provide a valuable source of finance for nature, local communities, and permanent removals. It also reflects our view that regulated markets have a critical role to play in ensuring the integrity of carbon markets.

Given these considerations, we have chosen to purchase credits from: i) a CORSIA-eligible biogas project in India that will provide co-benefits to the community along with emissions reductions, ii) an afforestation project using native species in Costa Rica, iii) a CORSIA-eligible safe water supply project in Eritrea using borehole technology, iv) emissions allowances from the EU Emissions Trading System (EU ETS), and v) high-quality direct air capture removals. VCMI's Claims Code of Practice² sets out transparency requirements for all buyers of carbon credits. It should be noted that regarding the application of corresponding adjustments (CAs) to voluntary credits, VCMI permit carbon credits with or without any associated corresponding adjustments, to be used to underpin Carbon Integrity Claims. It is unlikely that any of the credits purchased are associated with CAs given that neither India, Panama, nor Eritrea³ have formalised their stance on CAs or have frameworks in place to provide Article 6 authorisations and apply CAs. We follow VCMI's guidance in disclosing our most recent purchase of credits, as outlined in the table below:

² <https://vcmintegrity.org/vcmi-claims-code-of-practice/>

³ According to MSCI Carbon Markets and Gold Standard

Volume of credits purchased	353	818	721	144	464	2,300	200
Certification standard name	Gold Standard	Gold Standard	Gold Standard	Gold Standard	Gold Standard	EU ETS Allowances	Climeworks
Project Name	Domestic Biogas Project for rural households in India	Eritrean Community Boreholes	Eritrean Community Boreholes	Eritrean Community Boreholes	Planting Biodiverse Forests in Panama	n/a- purchased via Carbon Footprint	Climeworks – Direct Air Capture removals
Project ID	GS6275	GS5125	GS5125	GS5125	Marketplace	n/a	n/a
Retirement serial number	GS1-I-IN-GS6275-4-2020-21700-201-553	GS1-I-ER-GS5125-16-2020-23101-501-1318	GS1-I-ER-GS5125-16-2020-23744-1-721	GS1-I-ER-GS5125-16-2020-24650-748-891	GS1-I-PA-GS2940-21-2017-21671-43056-43519	n/a	n/a
Retirement date	May 24, 2024	May 24, 2024	May 24, 2024	May 24, 2024	May 24, 2024	n/a	n/a
Issuing Registry for credits used	Gold Standard	Gold Standard	Gold Standard	Gold Standard	Gold Standard	EU ETS Union Registry	n/a
Host country	India	Eritrea	Eritrea	Eritrea	Panama	n/a	Switzerland
Credit vintage	2020	2020	2020	2020	2017	n/a	2023
Methodology/project type	AMS-I.E. Switch from Non-Renewable Biomass for Thermal Applications by the User	GS Methodology for emission reductions from safe drinking water supply	GS Methodology for emission reductions from safe drinking water supply	GS Methodology for emission reductions from safe drinking water supply	Afforestation/Reforestation GHG Emissions Reduction & Sequestration Methodology	n/a	Climeworks/ DNV removals methodology (pending certification)
Whether or not the carbon credit is associated with corresponding adjustments (as evidenced by authorization and authorized use) by the host and/or buyer country	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	n/a	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]
Whether or not the carbon credit is associated with any third-party certification regarding social or environmental integrity (e.g., SDGs label)	Certified SDG Impacts: 3, 7, 13 Further detail: here	Certified SDG Impacts: 1, 4, 5, 7, 13, 15 Further detail: here	Certified SDG Impacts: 1, 4, 5, 7, 13, 15 Further detail: here	Certified SDG Impacts: 1, 4, 5, 7, 13, 15 Further detail: here	Certified SDG Impacts: 1, 8, 12, 13, 15 Further detail: here	n/a	n/a

Investment portfolio

CIFF has an investment portfolio of \$5.9 billion that finances our charitable expenditure. CIFF's endowment is subject to restrictions to ensure we remain invested in companies that are not working against CIFF's ethical values. Find out more about our Investment Policy on page 33.

CIFF supports in principle our investment manager where they actively engage companies we invest in to mitigate climate change and support the transition. We are supportive of the work our investment manager has completed to date, such as seeking greater disclosure of greenhouse gas emissions, encouraging the implementation of climate transition plans and in some instances filing shareholder resolutions.

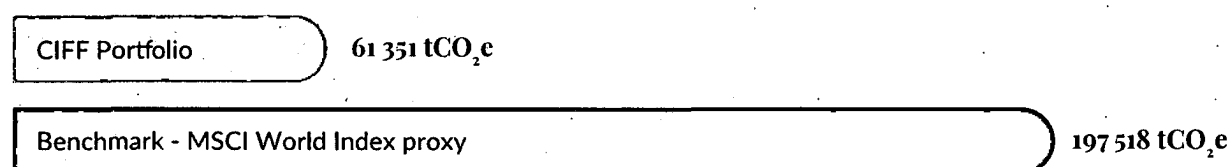
The outcome of our investment manager's engagement, which we value as a key enabler to reducing climate change, is not depicted by the reporting of our financed investment emissions, however following best practice guidance we continue to disclose financed emissions below.

The investment portfolio is actively managed to deliver real-world emission reductions. While our current financed investment emissions are reflective of the sectors in which these investments sit, our investment manager actively engages all holdings to disclose and implement climate transition plans (aligned with credible science-based benchmarks where available). CIFF will continue to support the development of sectoral benchmarks across all sectors of the economy and independent assessments of plans and performance through our grant-making to strategic partners, such as CDP and Climate Arc. This will further enable our investment manager to accelerate emissions reductions by incorporating such assessments into the active management of our portfolio.

The CIFF investment portfolio is made up of public equities (2023: 77% of investments, 2022: 77% together with unlisted debt, equity, and fund investments). The availability and accuracy of emissions data for unlisted investments are limited, therefore the reporting only includes public listed equities. We will continue to investigate approaches to capture emissions for the remainder of the investment portfolio with the aim of continuing to enhance our emissions reporting annually.

For our public equities, we recorded a scope 1 and 2 emission footprint of 61,351 tCO₂e as of 31 December 2023 (2022: 63,664 tCO₂e) which is significantly below the emissions of the MSCI World Index proxy benchmark for a portfolio of the same size at 197,518 tCO₂e (2022: 347,310 tCO₂e). The emission footprint calculation is based on guidance set out by the Partnership of Carbon Accounting Financials (PCAF) and emissions data collected directly from company financial statements for reporting period 31 December 2023 or where the reporting period is not aligned, the closest reporting to 31 December 2023 that is available.

Public Equities Carbon Footprint (TCO₂e) as at 31 December 2023



In addition to emissions, CIFF have also tracked performance against core elements of a climate transition plan across the portfolio where data is available.

We are supportive of our investment manager's ESG policy (more details available [here](#)), including their approach to assessing climate risk and active engagement with companies in the publicly traded equities portfolio. CIFF has adopted a responsible investment guideline (see [here](#)) adopted by the Trustees in recognition that certain investments would be in contradiction with our Charitable Objectives, and therefore we have prohibited their presence in CIFF's endowment portfolio. Beyond those, the management of the CIFF portfolio prioritises active stewardship (see our investment manager's past ESG engagements [here](#)) over divestment to facilitate actual emissions reductions across the real-economy, however the investment manager will evaluate divestment (above and beyond those prohibited by our ethical guidelines) as an option where a company in the portfolio refuses to disclose emissions or develop and implement a credible climate transition plan to reduce their emissions.

Financial Review

Five-year summary of income and expenditure

Summary of income and expenditure

	2019	2020	2021	2022	2023
	US\$m	US\$m	US\$m	US\$m	US\$m
Incoming resources	106	97	29	72	299
Net Investment gains/(losses)	1,013	431	695	(487)	1,017
Foreign exchange	2	(1)	(0)	(488)	4
Total incoming resources including recognised gains and (losses)	1,121	527	724	(416)	1,320
Investment management costs	98	14	19	15	12
Charitable activities	289	369	828	491	549
Total resources expended	387	383	848	506	561
Net movement in funds	734	144	(124)	(922)	759

Summary of assets and liabilities

	2019	2020	2021	2022	2023
	US\$m	US\$m	US\$m	US\$m	US\$m
Investments	5,484	5,973	5,909	5,119	5,890
Current assets	650	232	454	189	159
Total liabilities	(272)	(200)	(481)	(359)	(343)
Total assets less Total liabilities	5,862	6,005	5,881	4,949	5,706

Summary of financial and operational information

	2019	2020	2021	2022	2023
Grant disbursements (US\$m)	269	344	468	530	578
5-Year disbursement ratio*	5.2%	4.8%	5.4%	6.6%	7.7%
Average headcount (FTE)	115	132	167	195	211
Operating expense as a % of disbursements**	11.8%	9.1%	8.3%	7.8%	7.7%

* The 5-year disbursement ratio is defined as the average spend divided by the average assets over a 5-year rolling period.

** For this ratio, operating costs do not include the exceptional expenses included in 2019-2023.

Charitable activities

The Foundation committed US\$549 million to charitable activities (2022:US\$491 million), which consisted of US\$500 million of charitable grant commitments (2022:US\$445 million), US\$5 million of activities undertaken directly (2022:US\$5 million) and US\$44 million of operating cost (2022: \$41 million).

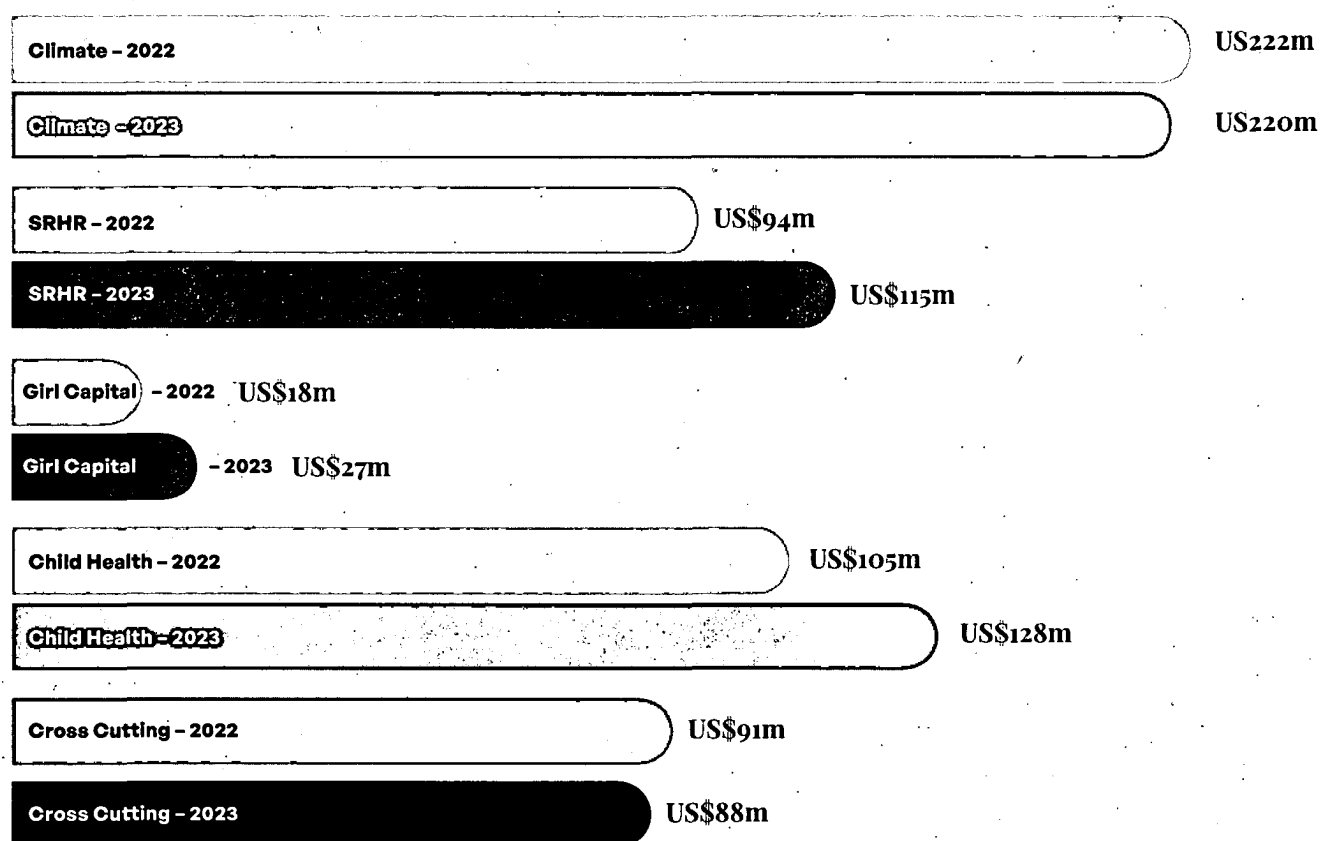
Activities undertaken directly (DCA)

The direct expenditure of US\$5 million (2022:US\$5 million) on charitable activities was mainly to further CIFF's mission by convening conferences and events, providing technical assistance and training to grantees and other charitable organisations, and publishing and disseminating research findings.

Grant disbursements

The Foundation made US\$578 million of charitable grant payments in 2023, which is the sixth successive year of increased disbursements and represents a 10% increase on the prior year (2022: US\$530 million). The chart below shows the grant payments made in 2023.

Charitable grant payments by sector: (USD\$m)



Total Payments US\$m

2022	US\$530m
2023	US\$578m

Investment Review

Investment strategy

The Trustees have developed an investment strategy which provides for investing in a diverse portfolio of financial investments with a long-term investment horizon. The Foundation's investment objective is to:

- seek an inflation-adjusted return of at least 6% per annum over a 10-year rolling period;
- manage its investment portfolio to ensure appropriate liquidity and risk controls while also permitting illiquid investments with the potential for a high return; and
- diversify its investments across a range of asset classes and industry sectors.

It is the intention of the board to maintain the endowment for the long term while continuing to fund CIFF's work. **Asset growth**

Since inception, the Foundation has received voluntary income, donations and donations-in-kind of over US\$2.6 billion. Over the last 10 years, the Foundation's net assets have grown through investment to US\$5.7 billion as at 31 December 2023 (2022:US\$5.0 billion), after charitable activities, governance costs and investment management costs of over US\$4.6 billion (2022:US\$4.0 billion).

Investment returns

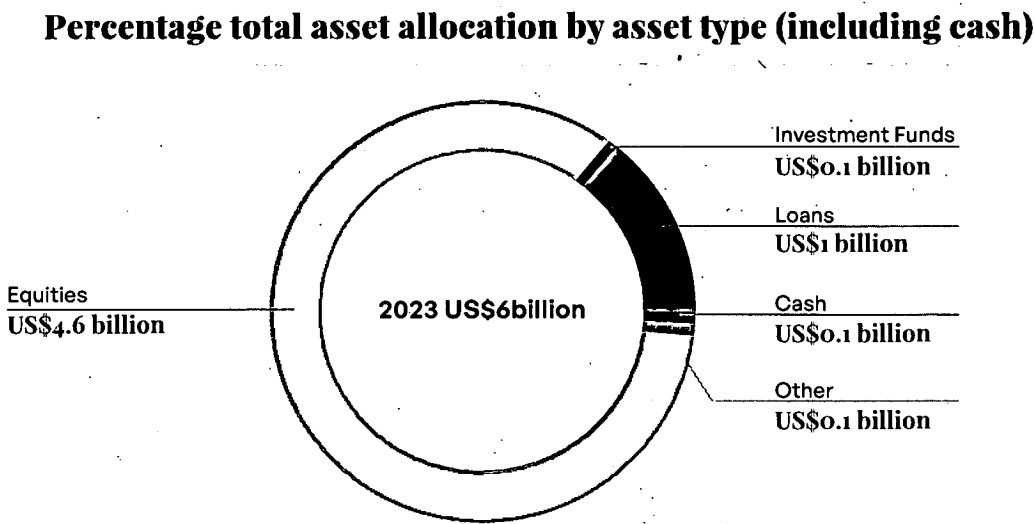
Total incoming resources were US\$299 million (2022: US\$72 million), consisting of dividends and interest received from the Group's equity and fixed income investment portfolio together with donations. Investment gains in the year were US\$1,020 million (2022: loss of \$487 million). The combined net investment return for the financial year ended 31 December 2023 was 22% (2022: (7)%), reflecting continued strong investment performance, with a cumulative performance of 552% since April 2009, equivalent to 14% per annum return (net of fees). Cumulative investment performance is measured from April 2009.

Investment management costs

Investment management costs in 2023 were US\$12-million (2022: US\$15 million), which mainly related to managing subsidiaries holding endowment investments, including brokerage and charges intermediary fees accrued to a third-party real estate advisor (see note 26 for further details of service providers). No fees are charged by TCI Fund Management Limited in relation to management of the endowment assets.

Asset allocation

The investment manager, TCI Fund Management Limited (TCI FM), invests the Foundation's assets in different classes and sectors within the parameters set by the Foundation's investment management restrictions, adopted by the Trustees. The Foundation and its subsidiaries (the "CIFF Group") operate a diversified portfolio, invested in a number of different types of financial instruments across a wide range of sectors (with certain limitations - see investment policy on page 29). The allocation by asset type is set out in the chart below.



Risk Management and Key Policies

Risk Management

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. The principal manageable risks to the organisation identified by the Trustees during the year are those related to safeguarding of beneficiaries and staff of grantees, exposure to cyber-attacks and fraud and the regulatory environment regarding the receipt of foreign charitable funds in certain jurisdictions that ClIFF operates in.

The Trustees are satisfied that sub-committees, systems, controls and policies are in place to mitigate and manage exposure to risks identified by the Trustees through the process described below. They continue to review current processes, recognising that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The management of major risks is carried out in accordance with guidance by the Charity Commission. The Foundation has established organisational risk working groups that review, identify and manage risks through the Foundation. The risk working groups are in each case comprised of relevant staff from throughout the Foundation and cover the following areas:

Operations, Ecosystems (formerly Partners), People and Political and Reputational. These groups meet semi-annually (in some cases attended by external advisers), to discuss the risks faced by the Foundation and mitigating actions. The groups each prepare reports that assign ratings to the risks identified based on the likelihood and impact of the risk, which is then adjusted for relevant mitigants. The final reports from the risk working groups are moderated by the Executive Team before being presented to the Board for review, also on a semi-annual basis.

The Foundation maintains a comprehensive set of compliance policies that are intended to address many of the risks it faces. These include policies regarding safeguarding, bribery, corruption and fraud, modern slavery and use of IT. During the year, the Foundation updated its safeguarding policy to better reflect ClIFF's current approach and organisational practices to safeguarding. The Foundation is deeply committed to recognising, promoting and protecting the rights of all children and adults at risk and its updated policy reemphasise its core values of: prioritising the welfare and best interests of children and adults at risk, seeking to do no harm; and participatory safeguarding where the views of staff, partners and those who our funding supports are central to the development of safeguarding practices. The policy was launched alongside organisational wide training and continues to be implemented in the design, due diligence, operations and monitoring of ClIFF's programmes.

Investment Risk Management

Investment Policy

The Foundation implements its Investment Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including Charity Commission guidance "Charities and Investment Matters" ("CC14")) through direct and indirect investments, including via investment subsidiaries.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Foundation's investments. The Finance, Audit and Investments Committee (the "Finance Committee"), chaired by Mr Emmanuel Roman, acts as an advisory body to the Board on finance, audit and investment matters.

The Foundation's investment policy prohibits investments in companies or entities that:

- Generate any turnover from the business of manufacturing tobacco products and tobacco marketing.
- Market breast milk substitutes unless they have committed to adopt the World Health Organisation's International Code of Marketing Breast Milk Substitutes.
- Generate 10% or more of turnover from extracting, stockpiling, distributing or trading fossil fuels.
- Generate 25% or more of turnover from the development, production, manufacture, distribution, stockpiling, transfer or sale of arms.

If a company in which the Foundation is invested falls into one of these categories, the investment manager has 12 months to divest. However, the investment manager may invest in companies or entities that market breast milk substitutes as described above if the investment manager encourages the relevant company or entity to adopt a publicly available policy committing to adopting the Code of Marketing Breast Milk Substitutes.

Taking into account the advice of the Finance Committee, the Board is satisfied with the current investments and their allocation, although the Board will continue to monitor and review the investment strategy, through the Finance Committee. The Finance Committee regularly reviews the performance of the endowment and engages with the investment manager to understand the impacts and actions of the manager. The views of the Finance Committee are shared with the Board so that the non-conflicted Trustees can assess whether they believe any changes to the Investment Policy or the investment management arrangements are required.

The Trustees are aware of the potential conflict of interest which exists between the Foundation and Sir Christopher Hohn as both a Trustee and his position as Managing Director of TCI FM, the investment manager to certain entities within the Foundation's Group, and accordingly carefully and appropriately manage the relationship. Any potential conflicts in relation to decisions regarding the endowment are managed in accordance with the relevant provisions in the Foundation's articles of association.

The members of the Finance Committee complete a full review of the Investment Policy at least annually, which includes a review of the investment manager, benchmarking its returns and also benchmarking the intermediary fees of the third party real estate advisor. The Foundation's exposure to price risk, credit risk, liquidity and cashflow risk are addressed in note 16 to the financial statements. Further details of the investment portfolio can be seen in the notes to the consolidated financial statements.

Cash Management Policy

The Foundation has a Cash Management Policy, which was adopted by the Trustees on 11 March 2013 and was most recently updated by the Trustees in September 2020. The Cash Management Policy is reviewed at least annually by the Finance Committee and the Trustees and, if necessary, amended.

The Cash Management Policy sets out:

- The principal objective of cash management at the Foundation, which is to ensure that the Foundation has sufficient cash available to meet its working capital requirements. The Foundation does not seek to maximise investment returns through its cash management activities;
- The cash management activities that are permitted by the Foundation and the applicable limitations upon those activities; and
- Who is required to authorise cash management activities.
- The Foundation implements the Cash Management Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association, and in accordance with applicable guidance from the Charity Commission (including CC14).

Financial risk management

Internal controls

The Foundation's internal controls are designed to provide assurance to the Board of Trustees that adequate procedures are in place and operating effectively to mitigate the risk of material financial loss or misstatement.

The Foundation reviews internal operational and financial process controls on an on-going basis, with external support where appropriate, and implements improvements. CIFF continue to invest significantly in IT security, including annual external reviews and the onboarding of an internal resource focused on IT security.

The Foundation's budgets are prepared annually. The Foundation's support and governance spend is set by reference to total planned charitable disbursements to ensure it remains reasonable and proportionate. The Executive Directors review and approve guidance for budget holders and staff to monitor and control operating cost and government-related expenditure. Further details of financial risk management can be seen in Note 16 of the consolidated financial statements.

Granting Policy

The Foundation currently adopts a "multi-year agreement" approach for multi-year programmes. This multi-year agreement permits, for example, a five-year programme to be contracted for the full five-year term of the programme, but subject to programme reviews and conditionality such that it remains consistent with Statement of Recommended Practice ("SORP") guidance, with expenditure being recognised annually in the Consolidated Statement of Financial Activities.

For each new grant programme, or "investment", a full programme budget and mapped work plan is developed by the grantee and the CIFF sector teams during the due diligence phase in order to obtain the necessary approval by the Board, Programme Investment Committees (PICs), or, in the case of investments of a programme with a budget of US\$1 million or less, the CEO (see also the Foundation Governance Structure section on page 37).

Upon approval by the Board or PICs, the full programme budget is agreed for the full-term of the programme, subject to the performance reviews that take place during each year of the multi-year programme or any other specific conditionality or "gating" requirements imposed by the Board or PICs. During performance reviews, the relevant CIFF sector team reviews the progress of the grant and, if appropriate, agree the work-plan going forward, budget, KPIs, milestones and deliverables.

The performance review process is set out as a condition of the agreement with the grantee, with release of funding being conditional upon adherence to the work-plan, budget, KPIs, milestones and deliverables by a specific date set out in the multi-year contract.

Failure to complete the performance review process and adhere to the work-plans, budgets, KPIs, milestones and deliverables by the relevant date specified may result in termination of the grant agreement.

Reserves Policy

The Foundation maintains three internal reserves to assist in achieving these financial objectives: Restricted Funds, an Expendable Endowment Fund and Unrestricted Funds. The level of these Reserves, considered on a ten-year time horizon, is the key determinant in the amount of capital which the Group is able to distribute each year to charitable activities. The Trustees review reserves annually and are satisfied that the CIFF group is in a position to meet all its current and anticipated future commitments.

Unrestricted reserves

Designated funds

As at 31 December 2023, the Trustees have earmarked US\$984 million (2022: US\$914 million) of reserves as designated funds in recognition of funds which may be called upon to fund approved multi-year programmes within the next 1 to 5 years. These amounts are not provided for as a liability in the accounts.

Operational Reserves

The Foundation's unrestricted funds have also been used in 2023 and previous years as "Operational Reserves" to finance the Foundation's grant expenditure and direct charitable activity expenditure, operating cost and governance costs and to provide a short-term buffer for grant-making and other costs.

Cash flow projections for income and expenditure are reviewed to ensure that the level of disposable net assets is adequate, and that the Foundation is in a position to meet all its grant-making and working capital commitments. In the event that the Foundation is unable to meet its commitments from reserves of unrestricted funds at their disposal, the Foundation will, as referred to below, draw on the expendable endowment to meet those commitments as necessary.

In view of the high level of liquidity of a large proportion of the Foundation's assets, the Trustees do not consider that it is necessary or justifiable to carry unrestricted operational reserves and therefore working capital surpluses are transferred to the expendable endowment. The unrestricted operational reserves as at 31 December 2023 was US\$nil (2022: US\$nil).

Restricted Funds

Restricted funds are generated when a donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Group. The restricted fund balance as at 31 December 2023 was US\$14 million (2022: US\$8 million) which consisted of fixed assets relating to drilling equipment for water wells and restricted funding received not yet disbursed. There are no performance-related conditions in relation to restricted funds.

Expendable Endowment Funds

The Group's endowment is expendable at the Trustees' discretion. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects. The Trustees' intention is to monitor the value of the expendable endowment fund in real terms over a multi-year period to ensure that the Group can maintain its existing level of annual charitable expenditure and increase it gradually as they see necessary to meet the Foundation's charitable objectives for future years. At the year end, the value of the expendable endowment fund was US\$4,719 million (2022: US\$4,036 million).

Structure and Governance

The Foundation is a company limited by guarantee, incorporated on 8 February 2002 and registered as an English charity on 12 March 2002. The charity number is 1091043.

Subsidiary Companies and Overseas Branches

The Foundation has twelve directly or indirectly owned vehicles within its Group as at 31 December 2023 (2022: twelve) that have a mixture of purposes including to hold endowment investments and to help achieve the charitable objectives of the foundation. For the period to 31 December 2023, the reported results of the subsidiary undertakings of CIFF are disclosed in note 14. These results of the CIFF Group are consolidated and presented in the consolidated financial statements.

The Foundation has four overseas branches in India, Kenya, Ethiopia and China, the results of which are consolidated and presented in the consolidated financial statements.

The Board of Trustees

The members of the Board of Trustees are set out below. For the purposes of company law, the individuals listed are Directors of the Foundation and are appointed in accordance with the Foundation's constitution. The Board of Trustees meets to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, investment, reserves and risk management policies and performance. The Trustees who were in office during the period and up to the date of signing the financial statements were:

Sir Christopher Hohn

Mr Ben Goldsmith

Mr Masroor Siddiqui

Ms Ana Marshall

Mr Marko Lehtimäki

The Trustees are selected on the basis of their skills and expertise, particularly in the areas of business management. The Trustees determine the strategy and policies of the Foundation and monitor implementation and impact. The Trustees also serve as resources to the Foundation, sharing new and relevant research and projects, and directly supporting key aspects of operations.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 10 and 25 to the financial statements. Trustees are required to disclose all relevant interests and review the Board Members' Register of Interests at each Board meeting. Trustees must register all relevant interests with the Company Secretary and, in accordance with the Foundation's Articles of Association and its policy on conflicts of interest, withdraw from decisions where a conflict of interest arises.

The Foundation provides a formal induction programme for new Trustees and new committee members, including the provision of the Foundation's key governance, policy and financial documents, relevant Charity Commission guidance and details of the organisational structure of the Foundation (including delegated authority levels).

Induction sessions are also arranged to explain the legal obligations of Trustees and committee members and provide briefings from senior operational personnel and professional advisors.

The Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee was established in May 2006 and is constituted by not less than four members appointed by the Board, one of whom must be a Trustee. Other members with appropriate skills and expertise, who need not be Trustees, may be appointed to the Committee by the Board. The current trustee member is Masroor Siddiqui and the five independent members of the Committee are Emmanuel Roman (Chair), Kevin Davis, Richard Hayden, Jacob Schimmel and Ellen Shuman. CIFF's Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer and General Counsel are regular attendees of the Committee. The Finance, Audit and Investment Committee has delegated responsibility on behalf of the Board for advising the Trustees on audit, finance and investment matters. The Board reviewed and updated the terms of reference for the Finance, Audit and Investment Committee in December 2023.

Programme Investment Committee, Climate

The terms of reference of the Programme Investment Committee, Climate ("PIC Climate") were approved in October 2015 and most recently updated in March 2023. The PIC Climate is constituted by at least three Trustees and at least three (but no more than eight) independent advisers. The PIC Climate has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's environmental objectives (advancing environmental protection or improvement, including preservation and conservation of the natural environment) and the promotion of sustainable development to mitigate climate change ("Climate Purposes"). The PIC Climate has decision making authority for grant proposals regarding Climate Purposes up to and including US\$30 million.

Programme Investment Committee, Children

The terms of reference of the Programme Investment Committee, Children ("PIC Children") were approved in August 2015 and most recently updated in March 2023. The PIC Children is constituted by at least three Trustees and at least three (but no more than eight) independent advisers. The PIC Children has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's non-Climate Purposes. The PIC Children has decision-making authority for grant proposals regarding non-Climate Purposes up to and including US\$30 million.

CEO Delegated Authority

The Board has delegated to the CEO responsibility for receiving, considering and making decisions upon certain grant proposals up to and including US\$1 million. The Terms of Reference for the CEO's delegated authority were approved by the Board on 11 February 2014 and last amended on 10 June 2019. This authority is subject to a maximum aggregate limit of 10% of forecast multi-year value ("MYV") of new programmes set out in the relevant financial year's business plan. The CEO also has delegated authority to approve evidence, measurement and evaluation, as well as grantee organisational development grants, in each case up to 1% of MYV.

Remuneration Committee

The Remuneration Committee was established in February 2015 and is constituted by at least two Trustees. The current Trustee members are Sir Christopher Hohn, Ana Marshall (Chair) and Marko Lehtimäki. The Remuneration Committee has delegated responsibility on behalf of the Board for determining and reviewing policy for executive remuneration, approving principles and policies of reward throughout the Foundation (including the design of any performance-related pay schemes operated by the Foundation) and determining the total individual remuneration package of the CEO (including annual bonus).

Remuneration Report and Other Governance

The principles of the remuneration policy

The Foundation aims to develop and maintain remuneration strategies and policies in line with the corporate strategy, culture and objectives of the organisation. Our reward and recognition strategies and policies are designed to attract and retain motivated and talented people. We will remain competitive within the markets in which we work to manage a skilled and diverse workforce. Salaries are bench-marked periodically using external market data. Exceptional personal performance, giving due consideration to each role, is reflected in discretionary bonus awards and annual salary reviews.

Remuneration of Key Management Personnel

	31 December 2023 US\$'000	31 December 2022 US\$'000
Executive Directors	3,389	3,205
Employer Pension Contributions Employer	81	62
National Insurance Contributions	329	345
Total Consideration	3,799	3,612

The Key Management Personnel of CIFF for the purposes of remuneration disclosure have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees, see Note 10 of the financial statements for details of expenses reimbursed)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

Relationship with Other Charities

The Foundation is a co-founder and collaborator in a number of projects with a range of other UK and international donors, including, but not limited to foundations, government agencies and private individuals.

Political Contributions

The Foundation made no political donations or incurred any political expenditure during the year (2022: none). As a registered charity, the Foundation is required to remain politically impartial in its work and funding.

Subsequent Events

Details of subsequent events are disclosed in Note 27 of the financial statements.

Future Developments

CIFF will continue to focus on our core operating areas to support the charitable objectives of the Foundation.

Foundation Objectives and Public Benefit

The Foundation's objectives, as stated in its governing document, are the general purposes of such charitable bodies or for such other purposes for the benefit of the community as shall be exclusively charitable as the Trustees may from time-to-time determine.

In setting the Foundation's objectives and planning its activities, the Foundation's Trustees have considered section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Foundation's activities and achievements are outlined throughout this Trustees' Report and we believe fully demonstrate that the Foundation is providing public benefit.

Charity Governance Code

CIFF applies the majority of the principles in the Charity Governance Code (the "Code"). In some cases, including trustee engagement, decision-making and evaluation of charity impact, CIFF is in many ways exceeding the best practice stated in the Code. In other areas, such as equality, diversity and inclusion, CIFF has been undertaking a comprehensive assessment to help it build more effective practices to further its charitable purposes.

Relevant Audit Information

CIFF believes that it has taken all steps necessary to make itself aware of any relevant audit information and has established that CIFF's statutory auditor has been made aware of that information. In so far as it is aware, there is no relevant audit information of which the statutory auditor is unaware.

Trustees' Responsibilities and Financial Statements

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the trustees' report which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006.

Under Company law the trustees 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 Foundation and of the incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Foundation or to cease operations, or have no realistic alternative but to do so.

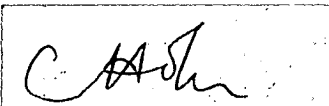
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

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

Independent Audit

The auditors, KPMG, have expressed their willingness to remain in office for a further year.

In approving this Trustees' Annual Report, the Trustees are also approving the Strategic Report in their capacity as company directors.



On behalf of the Board
Sir Christopher Hohn
Chairman
13 June 2024

Report to the members of the Children's Investment Fund Foundation (UK)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Children's Investment Fund Foundation ('the Foundation') and its subsidiaries (collectively the 'Group') for the year ended 31 December 2023 set out on pages 41 to 80, which comprise the Consolidated Statement of Financial Activities, Consolidated and Foundation Balance Sheets, Consolidated Cash Flow Statement, and related notes, including the summary of significant accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is UK Law and UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Foundation's affairs as at 31 December 2023 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Foundation or to cease their operations, and as they have concluded that the Group and the Foundation's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustee's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the Foundation's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Foundation will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Foundation's regulatory and legal correspondence; and reading Board and Finance Committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises information included in the Founder's Message, CEO's Message, Trustees' Report, Strategic Report, Trustees Responsibilities to the Financial Statements and the Group Information. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the trustees' report;
- in our opinion, the information given in the trustees' report is consistent with the financial statements; and
- in our opinion, the trustees' report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 40, the trustees are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clavin
Senior Statutory Auditor
for and on behalf of
KPMG Statutory Auditor

1 Harbourmaster Place
IFSC
Dublin 1
Ireland

13 June 2024

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted Funds US\$ '000	Restricted Funds US\$ '000	Expendable Endowment US\$ '000	Year ended 31 Dec 2023 Total US\$ '000
	Notes				
Income from					
Donations and legacies	3 and 21	160,000	50,748	-	210,748
Investments	4	-	-	87,976	87,976
Total incoming resources		160,000	50,748	87,976	298,724
Expenditure on					
Raising funds	4	12,071	-	-	12,071
Charitable activities	5	509,896	39,357	-	549,253
Total resources expended		521,967	39,357	-	561,324
Net gains on investments	14	-	-	1,017,077	1,017,077
Foreign Exchange gains	14	832	-	-	832
Exchange differences on translating foreign currency operations		-	-	3,524	3,524
Net Income/(expenditure)		(361,135)	11,391	1,108,577	758,833
Transfers	21	431,104	(5,361)	(425,743)	-
Net movement in funds		69,969	6,030	682,834	758,833
Fund balances carried forward at 1 January 2023		914,321	8,227	4,036,114	4,958,662
Fund balances carried forward at 31 December 2023		984,290	14,257	4,718,948	5,717,495

The consolidated Statement of Financial Activities ("SOFA") has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2022 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	3 and 21	-	20,756	-	20,756
Investments	4	-	-	51,101	51,101
Total incoming resources		-	20,756	51,101	71,857
Expenditure on					
Raising funds	4	15,344	-	-	15,344
Charitable activities	5	473,057	17,554	-	490,611
Total resources expended		488,401	17,554	-	505,955
Net loss on investments	14	-	-	(477,397)	(477,397)
Foreign Exchange gains	14	(971)	-	-	(971)
Exchange differences on translating foreign currency operations		-	-	(10,014)	(10,014)
Net Income/(expenditure)		(489,372)	3,202	(436,310)	(922,480)
Transfers	21	452,840	(3,074)	(449,766)	-
Net movement in funds		(36,532)	128	(886,076)	(922,480)
Fund balances carried forward at 1 January 2022		950,853	8,099	4,922,190	5,881,142
Fund balances carried forward at 31 December 2022		914,321	8,227	4,036,114	4,958,662

The consolidated SOFA has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

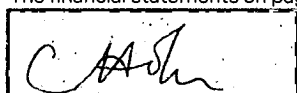
THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED AND FOUNDATION BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
	Notes				
Fixed Assets					
Intangible assets	12	3,450	500	-	-
Tangible assets	13	7,865	9,327	796	1,114
Investments	14	5,889,987	5,118,867	6,309,877	5,210,881
of which loans		1,022,345	1,009,917	5,491,737	5,074,561
of which other investments		4,867,642	4,108,950	818,140	136,320
Total fixed assets		5,901,302	5,128,694	6,310,673	5,211,995
Current Assets					
Debtors	17	27,294	6,824	1,494	5,497
Cash at bank and in hand	18	96,896	181,738	62,820	62,752
Cash pledged as collateral	18	34,719	332	-	-
Total current assets		158,909	188,894	64,314	68,249
Creditors: amounts falling due within one year	19	(263,731)	(210,953)	(579,502)	(515,188)
Net current assets/(liabilities)		(104,822)	(22,059)	(515,188)	(108,061)
Total Assets less current liabilities		5,796,480	5,106,635	5,795,485	5,103,934
Creditors: amounts falling due after one year	20	(78,985)	(147,973)	(75,800)	(144,000)
Net Assets		5,717,495	4,958,662	5,719,685	4,959,934
Total funds of the charity:					
Expendable endowment fund	21	4,718,948	4,036,114	4,728,221	4,045,613
Restricted funds	21	14,257	8,227	7,174	-
Unrestricted funds:					
Designated funds	21	984,290	914,321	984,290	914,321
Total charity funds		5,717,495	4,958,662	5,719,685	4,959,934

The financial statements on pages 45 to 84 were approved by the Trustees and authorised for issue on 13 June 2024, and signed on their behalf by:



Sir Christopher Hohn
Chairman
13 June 2024

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 US\$ '000	31 Dec 2022 US\$ '000
Net cash used in operating activities	(374,104)	(398,465)
Cash flow from investing activities:		
Dividends received	65,238	41,527
Interest received	18,345	6,495
Rental income received	4,171	3,961
Proceeds from the sale of:		
Investments	1,793,745	1,651,849
Purchase of:		
Intangible assets	(2,950)	-
Tangible fixed assets	(21)	(1,543)
Investments	(1,593,223)	(1,534,945)
Net cash used in investing activities	285,305	167,344
Cash flows from financing activities		
Interest paid	(399)	(316)
Net cash used in financing activities	(399)	(316)
Change in cash and cash equivalents in the reporting year	(89,198)	(231,437)
Cash and cash equivalents at the beginning of the reporting year	181,738	424,160
Effect of exchange rate movements on cash and cash equivalents	4,356	(10,985)
Cash and cash equivalents at the end of the reporting year	96,896	181,738

Reconciliation of incoming resources to net cash flows

	31 Dec 2023 US\$ '000	31 Dec 2022 US\$ '000
Net gain/(loss) for the reporting year (as per the statement of financial activities)	758,833	(922,480)
Adjustments for:		
Net loss/(gain) on investments	(971,642)	663,350
Dividends income	(65,460)	(40,645)
Foreign exchange movements	(4,356)	10,985
Interest income on investments	(18,345)	(6,495)
Interest expense	551	1,005
Depreciation charges	1,483	1,450
Decrease/(Increase) in debtors	(24,419)	2,904
Decrease/(Increase) in cash pledged as collateral	(34,387)	14,438
(Decrease) in creditors	(16,362)	(122,977)
Net cash used in operating activities	(374,104)	(398,465)

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

a) Basis of accounting

The Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments, and have been prepared in accordance with the Statement of Recommended Practice ("SORP") 'Accounting and Reporting by Charities' (published 2015), the Charities Act 2011, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006.

The Children's Investment Fund Foundation (UK) (the "Foundation") including its subsidiaries undertakings (the "Group") applied the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 'Financial Instruments' and the disclosure and presentation requirements of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

The Foundation is a public benefit entity and has adapted the Companies Act formats to reflect the Charities SORP and the nature of the Foundation's activities.

The Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Trustees made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Trustees are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

b) Functional currency and presentational currency

These financial statements are presented in United States Dollar ("US\$"), which is the Group's functional currency. 'Functional currency' is the currency of the primary economic environment in which the Group operates. The Group's investments, grants and expenditures are denominated and paid mostly in US\$. Accordingly, the Board has determined that the functional currency of the Group is United States Dollar. All amounts have been rounded to the nearest thousand, unless otherwise indicated and the terminology 'k' will be used to refer to thousands through the financial statements.

c) Basis of consolidation

The Consolidated Statements of Financial Activities ("SOFA"), Balance Sheets and Cash Flow Statements incorporate the results of The Children's Investment Fund Foundation (UK) (the "Foundation") and its subsidiary undertakings, Talos Capital Designated Activity Company ("Talos"), CIFF Capital UK LP ("CIFF Capital"), CIFF Investments LLP ("CIFF Inv"), CIFF Investments II Limited ("CIFF II"), CIFF Investments III LLP ("CIFF III"), CIFF IP Co Limited ("CIFF IP"), CIFF Water Limited ("CIFF Water"), CIFF General Partner Limited ("CIFF GP"), 86th Street Lender LLP ("86th LLP"), 11th Avenue Lender LLP ("11th LLP"), Chiswick Riverside LLP ("Chiswick") and CIFF 265 East 66 Limited ("CIFF 265"). The consolidated entity is referred to as the "Group". No separate SOFA and Cash Flow Statement have been presented for the Foundation alone as permitted by Section 408 of the Companies Act 2006 and SORP. Intra-group balances are eliminated fully on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those used by the Group.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate Financial Statements are set out below in paragraphs (a) to (q). The policies have been consistently applied to all periods presented, unless otherwise stated.

a) Critical accounting estimates and judgements in applying accounting policies

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported valuations of assets and liabilities within the financial year. Actual results may differ from those estimates. Estimates are continually evaluated and

2. ACCOUNTING POLICIES - continued

based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below and in Notes 14 and 15 for investments.

b) New and amended standards and interpretations

There have been no adoptions of new or amended standards during 2023 that resulted in a significant impact to the Group's Financial Statements.

There are presently no new standards, amendments or interpretations to existing standards that are not yet effective that would be expected to have significant impact on the Group's Financial Statements.

c) Incoming resources

All incoming resources are accounted for when the Group is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income earned on loan investments is recorded within 'Net gains on investments' due to the loans being held at fair value. Interest income on cash balances is recorded in SOFA within 'Income from investments'. Dividend income and expenses, when the underlying security is held directly by the Group, is recognised on ex-dividend date, net of foreign withholding taxes in SOFA within 'Income from investments'. Withholding tax is accounted for on an accruals basis. For those securities held via an intermediary, the dividends are accounted for when notified. Rental income earned from the investment property is recorded within 'Income from investments' on an accruals basis and is receivable monthly in advance.

Donations are recognised when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to either the sectoral charitable activity areas or cost categories. For expenditure incurred across the sectors, amounts are attributed to each area based on the granting activities undertaken during the financial period. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient. Multi-year grants are subject to periodic reviews and conditionality such that the liability is recognised in most cases annually, when the criteria for recognising the liability are met.

Support costs, other than direct costs for each sectoral activity area and excluding any restricted expenditure, are re-allocated to each of the activities on the following basis, which is an estimate based on annual grant commitments levels, excluding Big Win Philanthropy commitments:

	2023	2022
Climate Change	41.7%	48.4%
Sexual & Reproductive Health & Rights	23.7%	19.7%
Girl Capital	4.7%	3.2%
Child Health & Development	26.4%	24.4%
Cross Cutting	3.5%	4.3%

Activities undertaken directly relate to expenditure incurred by the Foundation through direct service provision or work undertaken by the Foundation that contributes directly to the Foundation's objectives.

Other sectoral teams that have continued to support the Foundation's activities, i.e. Child Protection, External Affairs, Evidence, Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

Expenditure incurred in relation to the Foundation's restricted activities are costs specifically identifiable and relevant to the restrictions assigned to those activities and therefore can be allocated to the restricted funds.

2. ACCOUNTING POLICIES - continued

e) Financial assets and liabilities

i.) Financial assets

Initial recognition and measurement

As per paragraphs 11.2 and 12.2 of FRS 102 the Group has elected to adopt the recognition and measurement requirements of IFRS 9.

Under IFRS 9 'Financial Instruments', financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss ("FVPL"). Purchases and sales of investments are recognised on their trade date, which is the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Foundation has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, financial assets are measured at FVPL. Gains and losses arising from changes in the fair value of the investments category are included in the SOFA in the year in which they arise and are based on the First-In, First-Out ("FIFO") method.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

In accordance with IFRS 9, the Group classifies its financial assets at initial recognition into the categories discussed below.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI"). The Group includes in this category short-term non-financing receivables including cash at bank and in hand, cash pledged as collateral and debtors.

Financial assets measured at fair value through profit or loss

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group includes in the FVPL category all investments in loans, concessionary loans, real estate loans (principal amount plus accrued interest receivable), listed equities, derivatives in an asset position, investment properties, private placement and investment funds.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For these financial assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group classifies the following financial assets under amortised cost: cash at bank and in hand, cash pledged as collateral and debtors. Cash at bank and in hand and cash pledged as collateral comprise cash at banks and in hand, on demand and interest bearing deposits with a maturity of three months or less, which are

2. ACCOUNTING POLICIES - continued

subject to an insignificant risk of changes in value and their carrying amounts approximate amortised cost. The loss allowance is based on lifetime expected credit losses. All material counterparties have an investment grade credit rating by Moody's/S&P of A1/A+ or higher and there is no history of defaults/non-payment and all receivables' balances are short term (<1 year).

The Group only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted the simplified approach to ECLs. No ECL impairment allowance has been recorded against the Group's receivables during the year. The ECL is not relevant to financial assets at fair value through profit or loss and financial liabilities designated at fair value through profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the SOFA under 'Net gains on investments'. Any interest in such transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

ii.) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and include loans and borrowings, payables, and derivatives in a liability position, as appropriate. All financial liabilities are recognised initially at fair value.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities, other than those measured at FVPL. The Group includes in this category amounts due to brokers, grants, accruals and deferred income and other payables.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in SOFA in the year in which they arise and are based on the FIFO method. Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

f) Investments

Listed and unlisted securities

Securities listed or quoted on any securities exchange and regularly traded thereon are valued at fair value. The fair value of an investment is based on its quoted market price.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, other than loans and receivables, will be valued at their fair value based on information provided by TCI Fund Management Limited's ("TCI FM" or the "Investment Manager") portfolio management team such as using the latest available redemption price for investment funds.

Because of their inherent uncertainty, estimated fair values may differ from the values that would have been used had a ready market for the securities existed.

2. ACCOUNTING POLICIES - continued

Unfunded commitments

The Group may invest in loans and securities which incorporate a commitment that it will be obliged to pay at a future date if called upon by the counterparty. The timing and amounts of settlement of these potential obligations are uncertain at year end.

Due to these uncertainties the Group does not recognise these amounts as liabilities on its Consolidated Balance Sheet, however these amounts are disclosed as contingent commitments in Note 23.

Derivative contracts

Derivative contracts ("derivatives") are recognised at fair value on the date on which the derivative is entered into and are subsequently re-measured at their fair value on an ongoing basis. Fair values are obtained from quoted market prices in active markets, including recent market transactions. Where quoted prices are not available the investments are valued using information provided by counterparties to the contracts.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the SOFA.

The Group enters into forward foreign exchange contracts. Forward foreign exchange contracts are fair valued on a daily basis using the forward contracted rate derived from readily available market data. When the contract is closed, the Group records realised gains/losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Forward foreign exchange contracts are fair valued using the forward contracted rate derived from readily available market data. As at 31 December 2023 the Group held forward foreign exchange contracts with an aggregate fair value and net liability position of US\$37,664k (2022: net asset position of US\$39,501k).

Investment funds

The Group invests in investment funds ("Investee Funds") which are subject to the terms and conditions of the Investee Funds' offering documentation. The investment in the Investee Funds are primarily valued based on the latest available redemption price of such units for the Investee Fund, as determined by the administrator of the Investee Fund. Where a readily ascertainable market valuation is not available, the Investee Funds are valued at cost less any expected losses (see Note 14). When a share/unit is sold the Group recognises the realised gains/(losses). Other changes in fair value of the Investee Funds are recorded as unrealised gains/(losses). At 31 December 2023, the Group held investment fund positions of US\$107,057k (2022: US\$30k).

Investment property

The Group invested in an investment property comprising wholly of UK-based freehold land and buildings leased to third parties. The Group's policy is to include the investment property within investments at their fair value, which is usually equivalent to the open market value. The valuation function of the Investment Manager, in consultation with a committee comprising of senior management officers of an affiliate to the Investment Manager, determine the fair value of the investment held by the Group having regard for the cost price, recent transactions and using a variety of valuation techniques including discounted cash flows.

Leased assets

The annual rentals for operating leases are charged to the SOFA on a straight-line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are held at cost, less impairment in the Foundation's Balance Sheet, apart from the investment in CIFF Capital UK LP which is held at fair value.

Loans

The Group invests in Real Estate Loans which are accounted for on a fair value basis. Fair values are calculated with reference to discounted cash flow models on the expected future cash flows of each loan investment. The movements in the fair values are included within "Net gains on investments" in the SOFA. Please refer to Note 15 which details information surrounding the significant unobservable inputs of these loan investments.

2. ACCOUNTING POLICIES - continued

Programme related investments

Programme related investments are a type of social investment and are made directly in pursuit of the Foundation's charitable purposes. The primary motivation for making a programme related investments is not for financial gain but to further our charitable objects. Programme related investments can generate some financial return, and the funding may or may not be provided on commercial terms. The current programme related investments portfolio consists of a number of fund and private placement investments which follow the respective investments accounting policy and as at 31 December 2023 amounted to US\$9,713k (2022: US\$12,053k).

Mixed motive investments

Mixed motive investments are made in pursuit of the Foundation's charitable purposes and financial gains. The current mixed motive investment portfolio consists of a number of fund investments which follow the respective investments' accounting policy. Mixed motive investments as at 31 December 2023 amounted to US\$56,129k (2022: US\$46,417k).

g) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into US\$ at the foreign currency spot rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the foreign currency spot rates of exchange at the date of the transaction. Differences arising on settlement and translation of monetary items are recognised in the SOFA.

The year end rate prevailing on the balance sheet date was US\$1 : £0.79 (2022: US\$1 : £0.83). For consolidation purposes, the balance sheets of subsidiaries reported in Pound Sterling currency ("GBP" or "£") have been converted into US dollar at the foreign exchange rate as at 31 December 2023. For all GBP reported profit and loss accounts of subsidiaries, the average foreign exchange rate for the relevant period has been applied at USD rate of US\$1 : £0.80 (2022: US\$1 : £0.81).

h) Intangible assets and amortisation

Intangible assets that are acquired and developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment loss.

Amortisation is calculated on a straight line basis so as to write off the cost of an asset over 10 years in the absence of reliable means to estimate useful economic life. The amortisation will commence once the intangible product's development is completed.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the SOFA as incurred.

i) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life. The estimated useful economic lives of fixtures and fittings is 5 years and plant and machinery is 8 years.

Tangible fixed assets are reviewed annually for impairment. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

j) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Group's counterparties on demand and interest bearing deposits with original maturities of less than 3 months.

2. ACCOUNTING POLICIES - continued

k) Cash pledged as collateral

Cash pledged as collateral includes balances held at year end with the Group's prime brokers and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin requirements with each broker at the year-end date.

l) Amounts due from/to brokers

Amounts due from brokers include cash from investments sold but which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement. Amounts due to brokers include cash from investments purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

m) Debtors

Amounts due from debtors are measured at transaction price, less any impairment.

n) Creditors

Amounts due to creditors are measured at the transaction price.

o) Funds

Designated funds are the unrestricted funds that have been set aside for a particular purpose by the Trustees. Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted funds arise when the funds are specified as such by the donor or when funds are raised for particular restricted purposes.

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income on investments is accounted for within the Expendable Endowment Fund. When the Foundation is unable to meet its commitments from reserves of Unrestricted Funds, there would be a transfer from the Expendable Endowment to Unrestricted Funds to meet those commitments.

p) Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

q) Operating Leases

The investment property was leased to tenants under operating leases with rentals payable monthly. The Group has also entered into an operating lease for plant and machinery for US\$nil consideration (2022: US\$nil).

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

3. DONATIONS AND LEGACIES

The income of US\$210,748k (2022: US\$20,756k) includes unrestricted donations from TCI FM of US\$160,000k (2022: US\$nil), restricted donations received from TCI FM of US\$45,387k (2022: US\$14,560k), the CH Foundation (UK) of US\$2,344k (2022: US\$2,854k), the Foreign, Commonwealth & Development Office (FCDO) of US\$3,017k (2022: US\$3,074k), the Department for Business, Energy and Industrial Strategy of US\$nil (2022: US\$247k) and other donations of US\$nil (2022: US\$21k).

4. INCOME FROM INVESTMENTS AND EXPENDITURE ON RAISING FUNDS

4 (a) Income from investments

The investment income arises from interest received on cash deposits, interest income earned on loans and receivables is recorded, rental income from investment properties, and dividend income from equity securities within the portfolio held by the Group. The dividend income is recorded at ex-dividend date, gross of foreign withholding taxes. Withholding tax is recorded on an accruals basis. All rental income is derived from investment properties in the United Kingdom.

	Group year ended 31 December 2023 US\$ '000	Group year ended 31 December 2022 US\$ '000
Dividend income	65,460	40,645
Interest income	18,345	6,495
Rental income	4,171	3,961
	87,976	51,101

4 (b) Expenditure on raising funds

The expenditure on raising funds of US\$12,071k (2022: US\$15,344k) includes expenditure relating to managing subsidiaries holding endowment investments including brokerage charges, intermediary fees and investment management fees.

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant Funding of Activities 2023 ⁽¹⁾ US\$ '000	Activities Undertaken Directly 2023 ⁽²⁾ US\$ '000	Support Cost 2023 ⁽³⁾ US\$ '000	Total Charitable Activities 2023 US\$ '000
Climate Change	208,303	1,113	18,141	227,557
Sexual & Reproductive Health & Rights	118,514	533	10,038	129,085
Girl Capital	23,660	-	1,452	25,112
Child Health & Development	132,035	704,361	7,588	140,100
Cross Cutting ⁽⁴⁾	17,502	2,309	-	27,399
	500,014	4,659	44,580	549,253

	Grant Funding of Activities 2022 ⁽¹⁾ US\$ '000	Activities Undertaken Directly 2022 ⁽²⁾ US\$ '000	Support Cost 2022 ⁽³⁾ US\$ '000	Total Charitable Activities 2022 US\$ '000
Climate Change	214,939	1,227	18,168	234,334
Sexual & Reproductive Health & Rights	87,402	668	7,972	96,042
Girl Capital	14,337	60	1,372	15,769
Child Health & Development	108,698	-	6,483	115,181
Cross Cutting ⁽⁴⁾	19,223	2,576	7,486	29,285
	444,599	4,531	41,481	490,611

(1) See note 7

(2) See note 6

(3) See note 8

(4) The Group and Foundation's activities including Child Protection, External Affairs, Evidence Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

6. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of US\$4,659k (2022: US\$4,531k) on charitable activities was mainly to further the Foundation's mission; organising convenings and conferences; providing technical assistance and training to grantees and other charitable organisations; and publishing and disseminating reports on research findings.

7. GRANT FUNDING OF ACTIVITIES

Group and Foundation 2023	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants						
APCON Enterprises Limited	-	-	-	6,002	-	6,002
C40 Cities Climate Leadership Group Inc.	9,400	-	-	-	-	9,400
CAMFED International	-	-	14,500	-	-	14,500
Clean Air Fund	10,660	-	-	-	-	10,660
clientEarth	6,118	-	-	-	-	6,118
Dr. Reddy's Formulations Limited	-	15,800	-	-	-	15,800
END Fund	-	-	-	11,151	-	11,151
Energy Foundation China	12,990	-	-	-	-	12,990
European Climate Foundation	19,505	-	-	-	-	19,505
Food For Education	-	-	-	11,063	-	11,063
Foundation for International Law for the Environment	13,448	-	-	-	-	13,448
Global Fund to fight AIDS, Tuberculosis and Malaria	-	13,950	-	-	-	13,950
Instituto Clima e Sociedade	8,818	-	-	-	-	8,818
IPE Global Limited	-	-	1,864	3,718	-	5,582
Living Goods	-	-	-	7,405	-	7,405
Meliore	11,811	-	-	-	-	11,811
MSI Reproductive Choices	-	11,880	-	-	-	11,880
Orbis	-	-	-	6,693	-	6,693
PATH	-	4,362	-	1,544	-	5,906
Pfizer	-	6,770	-	-	-	6,770
PSI	-	6,605	1,843	-	-	8,448
Rockefeller Philanthropy Advisors, Inc	19,495	-	-	-	190	19,685
Tara Climate Foundation	7,730	-	-	-	-	7,730
The Sunrise Project	8,750	-	-	-	-	8,750
The World Bank Group	-	10,000	-	-	-	10,000
Triggerise	-	13,136	-	-	-	13,136
United Nations Children's Fund	-	-	2,406	21,511	-	23,917
United Nations Population Fund	-	5,125	-	-	-	5,125
William Marsh Rice University	-	-	-	11,625	-	11,625
World Resources Institute	9,957	-	-	-	-	9,957
World Vision Ethiopia	-	-	-	9,687	-	9,687
⁽¹⁾ Other Grantees	69,621	30,886	3,047	41,636	17,312	162,502
Total charitable grants	208,303	118,514	23,660	132,035	17,502	500,014

7. GRANT FUNDING OF ACTIVITIES – continued

Group and Foundation 2022	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants						
African Climate Foundation	6,205	-	-	-	-	6,205
Amref Health Africa	-	5,000	-	-	-	5,000
APCON Enterprises Limited	-	-	-	6,002	-	6,002
Clean Air Fund	4,353	-	-	-	-	4,353
ClientEarth	7,502	-	-	-	-	7,502
DKT International	-	4,792	-	-	-	4,792
END Fund	-	-	-	17,904	-	17,904
Energy Foundation China	7,300	-	-	-	-	7,300
European Climate Foundation	39,054	-	-	-	-	39,054
Foundation for International Law for the Environment	15,783	-	-	-	-	15,783
Global Fund to fight AIDS, Tuberculosis and Malaria	-	10,000	-	-	-	10,000
Instituto Clima e Sociedade	5,264	-	-	-	-	5,264
IPE Global Limited	-	-	814	3,218	-	4,032
Living Goods	-	-	-	5,167	-	5,167
MSI Reproductive Choices	-	22,364	-	-	-	22,364
Pfizer	-	11,805	-	-	-	11,805
PSI	-	7,064	4,529	-	-	11,593
Rockefeller Philanthropy Advisors, Inc	22,434	-	-	-	300	22,734
Sightsavers	-	-	-	5,607	-	5,607
Tara Climate Foundation	7,500	-	-	-	-	7,500
The Carter Center	-	-	-	5,000	-	5,000
The Sunrise Project	12,363	-	-	-	-	12,363
Triggerise	-	5,410	-	-	-	5,410
United Nations Children's Fund	-	-	-	9,880	-	9,880
Windward Fund	10,000	-	-	-	-	10,000
World Resources Institute	7,417	-	-	-	-	7,417
World Vision Ethiopia	-	-	-	17,120	-	17,120
^(a) Other Grantees	69,764	20,967	8,994	38,800	18,923	157,448
Total charitable grants	214,939	87,402	14,337	108,698	19,223	444,599

^(a) The grants included within 'Other grantees' for 2023 totalled less than US\$5.0m (2022: US\$4.0m) in value for each organisation.

8. ALLOCATION OF SUPPORT COSTS

	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2023						
Support costs						
Staff costs (Note 10)	12,617	7,045	909	4,664	6,464	31,699
Office expenses	2,605	1,477	293	1,636	228	6,239
Governance costs (Note 9) Travel	207	118	23	131	17	496
and subsistence Consultancy and	1,225	714	97	503	604	3,143
contractor costs	1,487	684	130	427	275	3,003
Total support costs allocated to charitable activities	18,141	10,038	1,452	7,361	7,588	44,580
	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2022						
Support costs						
Staff costs (Note 10)	12,591	5,564	964	4,111	5,974	29,204
Office expenses	2,930	1,177	193	1,460	274	6,034
Governance costs (Note 9) Travel	258	105	17	130	23	533
and subsistence Consultancy and	1,037	487	65	363	451	2,403
contractor costs	1,352	639	133	419	764	3,307
Total support costs allocated to charitable activities	18,168	7,972	1,372	6,483	7,486	41,481

The allocation method of support costs have been discussed in Note 2(d).

9. GOVERNANCE COSTS

	Group year ended 31 December 2023 US\$ '000	Group year ended 31 December 2022 US\$ '000
Auditors' remuneration	304	270
Legal fees	118	177
Professional fees	74	86
	496	533

The auditors' remuneration, for the year ended 31 December 2023 is split between KPMG US\$247k (2022: US\$238k), S.P. Nagrah (India liaison office auditors) US\$13k (2022: US\$11k), Mazars (China office auditors) US\$9k (2022: US\$9k), MSE Auditors Partnership (Ethiopia office auditors) US\$11k (2022: US\$12k) and PKF (Kenya office auditors) US\$24k (2022: US\$0k). In 2023, PKF also provided tax advisory services of US\$16k (2022: US\$7k) and accountancy services of US\$13k (2022: US\$nil). No other assurance, tax advisory or finance services were provided by auditors during the year (2022: US\$nil).

10. STAFF COSTS

	Group and Foundation year ended 31 December 2023 US \$ '000	Group and Foundation year ended 31 December 2022 US \$ '000
Wages and salaries	26,134	23,726
Social security	2,061	1,899
costs Other pension	1,225	1,090
costs	29,420	26,715
Other staff costs	2,279	2,489
Total staff	31,699	29,204

costs

The average monthly number of employees (based on the 12-month period) who were employed during the year totalled: 211 (2022: 195). The staff numbers were split between direct activities: 168 (2022: 156) and indirect support: 43 (2022: 39). The number of employees of the Group and Foundation whose remuneration paid in the financial year fell within the following bands were:

Total Remuneration Bandings	Group and Foundation 2023	Group and Foundation 2022
	26	23
\$71k - \$85k	13	13
\$85k - \$99k	14	13
\$99k - \$113k	17	9
\$113k - \$127k	12	9
\$127k - \$141k	9	10
\$141k - \$155k	6	4
\$155k - \$169k	6	7
\$169k - \$183k	4	4
\$183k - \$197k	5	5
\$197k - \$211k	3	4
\$211k - \$225k	5	2
\$225k - \$239k	1	3
\$239k - \$254k	1	-
\$254k - \$268k	1	-
\$268k - \$282k	2	-
\$282k - \$296k	1	-
\$310k - \$324k	1	1
\$324k - \$338k	-	1
\$338k - \$352k	2	-
\$352k - \$366k	-	1
\$408k - \$423k	-	1
\$451k - \$465k	1	-
\$465k - \$479k	-	1
\$493k - \$507k	2	-
\$507k - \$521k	-	1
\$521k - \$535k	1	-
\$577k - \$591k	-	-

Charity SORP requires disclosure of the number of employees whose total employee benefit (excluding employer pension costs) exceeded £60k during the reporting period split in bands of £10k. The Foundation uses a functional and presentational currency of USD therefore a threshold of \$71k and bandings of \$14k have been used, which materially translate to the GBP SORP requirements. Salaries include benefits in kind and are paid in a number of currencies including GBP, which has been translated at the average rate of US\$1:£0.80 (2022: US\$1:£0.81).

The contributions in the year for the provision of a defined contribution pension scheme to employees of the Foundation were US\$1,225k (2022: US\$1,090k). The number of staff who were members of the scheme was 233 (2022: 219).

The Trustees did not receive any remuneration for their services during the year (2022: US\$nil). The Trustees did not receive any expense reimbursement during the year. In 2022, the Trustees' expenses reimbursed for travel and subsistence amounted to US\$12k and were related to one Trustee.

Remuneration of Key Management Personnel

	31 December 2023 US\$'000	31 December 2022 US\$'000
Executive Directors	3,389	3,205
Employer Pension Contributions	81	62
Employer National Insurance Contributions	329	345
Total Consideration	3,799	3,612

The Key Management Personnel of the Foundation have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

11. TAXATION

The Group Companies, ClIFF Capital, ClIFF Inv, ClIFF II, ClIFF III, ClIFF IP, ClIFF GP, ClIFF Water, 86th LLP, 11th LLP, Chiswick and ClIFF 265 did not realise any taxable profit in this financial year, therefore have no tax liability. The subsidiary company, Talos, incurred US\$5k (2022: US\$4k) of Irish corporation tax and US\$nil of withholding tax (2022: US\$nil). In 2023, the subsidiary company, ClIFF II, did not incur any deferred tax (2022: US\$nil).

12. INTANGIBLE FIXED ASSETS

Group	31 December 2023 US\$ '000	31 December 2022 US\$ '000
Cost brought forward	500	500
Additions during the year	2,950	-
At year end	3,450	500
Amortisation brought forward	-	-
Charge for the year	-	-
At year end	-	-
Net book value		
At year end	3,450	500

The intangible asset continues to be under development and testing during 2023. As per FRS 102, no amortisation is recorded as the intangible asset is not ready for its intended use.

13. TANGIBLE FIXED ASSETS

Group	Machinery 31 December 2023 US\$' 000	Fixtures and Fittings 31 December 2023 US\$' 000	Total 31 December 2023 US\$' 000	Total 31 December 2022 US\$' 000
Cost brought forward	9,148	3,032	12,180	10,637
Additions during the year	-	21	21	1,543
Disposals during the year	-	-	-	-
At year end	9,148	3,053	12,201	12,180
Depreciation brought forward	935	1,918	2,853	1,403
Charge for the year	1,144	339	1,483	1,450
Reversal on disposal	-	-	-	-
At year end	2,079	2,257	4,336	2,853
Net book value At year end	7,069	796	7,865	9,327

Foundation	Fixtures and Fittings 31 December 2023 US\$' 000	Fixtures and Fittings 31 December 2022 US\$' 000
Cost brought forward	3,032	2,607
Additions during the year	21	425
Disposals during the year	-	-
At year end	3,053	3,032
Depreciation brought forward	1,918	1,403
Charge for the year	339	515
Reversal on disposal	-	-
At year end	2,257	1,918
Net book value At year end	796	1,114

14. INVESTMENTS

Group Investments

The tables below present the Group investments asset and liability

composition:

Group Financial Assets	Notes	31 December 2023 US\$ '000	31 December 2022 US\$ '000
Equities		4,623,551	3,932,409
Investment funds	14(d)	107,057	30
Investment properties	14(f)	62,025	64,113
Mixed motive investments	14(e)	56,129	46,417
Programme related investments	14(b)	9,713	12,053
Forward foreign exchange contracts		9,167	53,928
		4,867,642	4,108,950
Loans and receivables		1,022,345	1,009,917
Total Financial Assets		5,889,987	5,118,867

Group Financial Liabilities	Notes	31 December 2023 US\$ '000	31 December 2022 US\$ '000
Forward foreign exchange contracts	19	46,834	14,430
Total Financial Liabilities		46,834	14,430

Gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	Year ended 31 December 2023 US\$ '000	Year ended 31 December 2022 US\$ '000
Realised gains/(losses) on financial assets and liabilities	252,652	336,348
Unrealised gains/(losses) on financial assets and liabilities	764,425	(813,745)
Foreign exchange gains/(losses) on financial assets and liabilities	1,017,077	(477,397)
	832	(971)
Total gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	1,017,909	(478,368)

The table below presents the movement of the group financial assets from the 31st of December 2022 to the 31st of December 2023:

Group	Fair value at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/23 US\$ '000	Cost at 31/12/23 US\$ '000
UK	287,387	222,777	(210,660)	2,098	301,602	300,300
Overseas	845,144	343,015	(254,709)	22,227	955,677	1,192,219
Total unquoted	1,132,531	565,792	(465,369)	24,325	1,257,279	1,492,519
UK						
Overseas	3,986,336	1,027,431	(1,328,376)	947,317	4,632,708	3,812,783
Total quoted	3,986,336	1,027,431	(1,328,376)	947,317	4,632,708	3,812,783
Total	5,118,867	1,593,223	(1,793,745)	971,642⁽¹⁾	5,889,987	5,305,302

⁽¹⁾ The difference between total gains above of US\$971,642k and the SOFA gains of US\$1,017,909k, (sum of net gains on investments of US\$1,017,077k and foreign exchange gains of US\$832k) is due to the realised and unrealised loss on short forward foreign exchange contracts, equity swaps and equities of US\$29,775k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$76,042k and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the foreign exchange overlay.

The table below presents the movement of the group financial assets from the 31st of December 2021 to the 31st of December 2022:

Group	Fair value at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/22 US\$ '000	Cost at 31/12/22 US\$ '000
UK	382,446	19,556	(95,910)	(18,705)	287,387	363,515
Overseas	1,352,359	171,144	(629,443)	(48,916)	845,144	1,090,963
Total unquoted	1,734,805	190,700	(725,353)	(67,621)	1,132,531	1,454,478
UK	72,915		(66,114)	(6,801)		
Overseas	4,091,401	1,344,245	(860,382)	(588,928)	3,986,336	3,919,158
Total quoted	4,164,316	1,344,245	(926,496)	(595,729)	3,986,336	3,919,158
Total	5,899,121	1,534,945	(1,651,849)	(663,350)⁽¹⁾	5,118,867	5,373,636

⁽¹⁾ The difference between total losses above of US\$663,350k and the SOFA loss of US\$478,368k, (sum of net losses on investments of US\$477,397k and foreign exchange losses of US\$971k) is due to the realised and unrealised gain on short forward foreign exchange contracts of US\$77,296k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$107,686k and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the foreign exchange overlay.

Foundation Investments

The table below presents the Foundation's investment composition:

	Note	31 December 2023 US\$ '000	31 December 2022 US\$ '000
Investment in subsidiaries	14(a)	752,286	77,820
Programme related investments	14(b)	9,713	12,053
Mixed motive investments,	14(c)	56,129	46,417
Loan to subsidiary	14(e)	5,491,737	5,074,561
Investment funds	14(d)	12	30
Total Financial Assets		6,309,877	5,210,881

Foundation – Investments Held at Fair Value

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2022 to the 31st of December 2023:

	Fair value at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/23 US\$ '000	Cost at 31/12/23 US\$ '000
UK	5,142,992	-	-	1,090,124	6,233,116	5,564,914
Overseas	58,500	6,763	(741)	1,332	65,854	162,321
Total unquoted	5,201,492	6,763	(741)	1,091,456	6,298,970	5,727,235

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2021 to the 31st of December 2022:

	Fair value at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/22 US\$ '000	Cost at 31/12/22 US\$ '000
UK	6,687,229	-	(439,584)	(1,104,653)	5,142,992	5,564,914
Overseas	93,336	9,103	(5,610)	(38,329)	58,500	156,362
Total unquoted	6,780,565	9,103	(445,194)	(1,142,982)	5,201,492	5,721,276

Foundation - Investments Held at Cost

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2022 to the 31st of December 2023:

	Cost at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/23 US\$ '000
UK	9,389	1,518	-	10,907
Total quoted	9,389	1,518	-	10,907

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2021 to the 31st of December 2022:

	Cost at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/22 US\$ '000
UK	8,348	1,063	(22)	9,389
Total quoted	8,348	1,063	(22)	9,389

14. INVESTMENTS

14 (a) Investments in subsidiaries

The table below details the investments held by the Foundation in its subsidiaries:

Entity	Incorporated in	% Holding	Purpose	Profit/(loss) US\$ '000	
				2023	2022
Talos Capital Designated Activity Company	Ireland	100	(1)	13	7
("Talos") CIFF Capital UK LP ("CIFF Capital")	England & Wales	100***	(2)	1,091,518	(418,176)
CIFF Investments LLP ("CIFF Inv")	England & Wales	100**	(3)	45,359	32,521
CIFF IP Co Limited ("CIFF IP")	England & Wales	100	(4)	(341)	(17)
CIFF Investments II Limited ("CIFF II")	England & Wales	100**	(5)	(7,964)	3,829
CIFF Investments III LLP ("CIFF III")*	England & Wales	100**	(6)	-	855
CIFF General Partner Limited ("CIFF GP")	England & Wales	100	(7)	-	-
CIFF Water Limited ("CIFF Water")	England & Wales	100	(8)	-	(963)
86th Street Lender LLP ("86th LLP")	England & Wales	100**	(9)	(1,170)	(94)
11th Avenue Lender LLP ("11th LLP")	England & Wales	100**	(10)	-	(194)
Chiswick Riverside LLP ("Chiswick")	England & Wales	98	(11)	1,128	3,289
CIFF 265 East 66 Limited ("CIFF 265")	England & Wales	100**	(12)	25	-
				(423)	
				(13)	

* In liquidation

** Indirect holdings

*** Economic entitlement only

- (1) Talos holds an underlying investment portfolio on trust for CIFF Capital that is managed to provide the Foundation with an investment return. At 31 December 2023, its total assets amounted to US\$32,209k (2022: US\$9,916k), total liabilities amounted to US\$32,170k (2022: US\$9,889k), and net assets amounted to US\$39k (2022: US\$27k).
- (2) CIFF Capital (Limited Partnership Number LP019223) was formed by limited partnership deed between the Foundation, TCI General Partner Limited and TCI Fund Management Limited. It has been established to hold investment assets for the Foundation. At 31 December 2023, its total assets amounted to US\$5,814,217k (2022: US\$5,109,396k), total liabilities amounted to US\$59,649k (2022: US\$31,295k) and net assets amounted to US\$5,754,568k (2022: net asset of US\$5,078,101k).
- (3) CIFF Inv is a limited liability partnership between CIFF Capital and CIFF II that hold certain assets from the investment portfolio.
- (4) CIFF IP holds licenses to intellectual property rights in support of the charitable activities of the Foundation.
- (5) CIFF II holds certain assets from the investment portfolio. CIFF Inv is also a non-participating member in CIFF Inv, CIFF III, 86th LLP and 11th LLP.
- (6) CIFF III is a limited liability partnership between CIFF Capital and CIFF II to hold assets from the investment portfolio. In August 2022, it was placed into dissolution, and on 2 January 2024, it was dissolved.
- (7) CIFF GP is a wholly owned limited company of the Foundation and the general partner of CIFF Capital.
- (8) CIFF Water Limited is wholly owned subsidiary of the Foundation. The principal activity of CIFF Water is to purchase and lease assets to support charitable activities.
- (9) 86th LLP is a limited liability partnership between CIFF Capital and CIFF II. On 10 March 2022, 86th LLP disposed of its sole privately placed loan investment, and as at 31 December 2023 retains an outstanding claim against the Guarantors of the loan and therefore remains a going concern.
- (10) 11th Ave is a limited liability partnership between CIFF Capital and CIFF II which previously held an interest in an endowment asset from CIFF Capital that was disposed of in 2021. The LLP has been named in a legal action along with a number of other defendants.
- (11) Chiswick is a limited liability partnership between the Foundation and The CH Foundation (UK) and holds a UK investment property.
- (12) CIFF 265 is a private company with limited liability incorporated in England and Wales on 1 February 2023.

14 (b) Programme Related Investments

The Foundation classified these investments as a Programme related investments ("PRI"), as the primary motivation for making the investment is not financial, but to further the objects of the Foundation.

The Foundation invested US\$0.1m (2022: US\$0.3m) in programme related investment funds during the year. These investments support the charitable objectives of the Foundation. The Foundation committed US\$23.8m, of which US\$0.2m (2022: US\$0.3m) remains outstanding to be drawn down as at 31 December 2023.

14 (c) Mixed Motive Investments

The Foundation classified these investments as a Mixed Motive Investments ("MMI"), as the investments furthers CIFF's charitable aims as well as anticipate financial returns. In accordance with CC14 (Charities and investment matters: a guide for trustees), the Foundation considered the level of private benefit to third parties created by investing to be reasonable and appropriate.

The Foundation invested US\$10.6m (2022: US\$10.7m) towards Mixed motive investments in funds. The Foundation's MMIs invest in early-stage companies that have the potential and the high-level ability to address global health challenges along with climate and food and nutrition issues which are consistent with the charity's objectives. The Foundation committed US\$76.0m (2022: US\$76.0m) towards mixed motive investments, of which US\$21.9m (2022: US\$32.8m) remains outstanding to be drawn down as at 31 December 2023.

14 (d) Investment Funds

As at 31 December 2023, unquoted investments of US\$12k (2022: US\$30k) included an investment fund investing in developing properties in India, which was written down to US\$nil during 2022. The properties are being constructed for sale.

Where the underlying assets are under construction, the fair value of the investment cannot be reliably determined; the directors are required to make their best estimate of the fair value. Where sufficient progress has been made such that a readily ascertainable market value can be obtained for the underlying assets, the investment fund is valued at fair value. Fair value is determined using a combination of valuation methodologies, including comparable precedent transactions and discounted cash flows. Key sensitivities include timing of future cash flows and the discount rate used to determine the net present value of future cash flows.

Unquoted investments also comprised US\$12k (2022: US\$30k) of investments in underlying assets held with an unquoted investment fund. The investments are held at market value based on the valuation report supplied by the investment fund as at 31 December 2023 with any gains and losses being taken to the SOFA.

14 (e) Loans to subsidiary

The Foundation holds a loan US\$5.49 billion (2022: US\$5.07 billion) to CIFF Capital. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of CIFF Capital.

14 (f) Investment Properties

For the year ended 31 December 2023, Knight Frank LLP was engaged to provide an independent valuation of the investment property. The valuation methodology adopted by Knight Frank LLP was based on a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the investment property, taking into account size, location, aspect and other material factors impacting the investment property's valuation. The valuation was undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. Following the independent valuation of the investment property as at 31 December 2023, an unrealised loss of US\$5,375,000 was recognised in the statement of financial activities.

15. KEY INVESTMENTS AND UNCERTAINTIES

For Investments in the Group held at fair value, the Group note there may be unobservable inputs in the valuation of these investments outlined below.

The following table presents additional information about valuation techniques and significant unobservable inputs used for unlisted assets and liabilities, which are measured at fair value, as at 31 December 2023 and as at 31 December 2022:

31 December 2023

Asset category	Valuation method	Fair value at 31 December 2023 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	1,022,345	Discount rate	6.97% to 32.19%	An increase in the discount rate would result in a lower fair value
Investment Funds	Net asset value	107,045	n/a	n/a	A significant increase in the discount rate of underlying loan investments would result in a lower net asset value

31 December 2022

Asset category	Valuation method	Fair value at 31 December 2022 US\$ '000	Significant unobservable input	Average) for unobservable input	Significant unobservable input
Loans	Discounted cash flow	1,009,917	Discount rate	6.86% to 17.71%	An increase in the discount rate would result in a lower fair value

When determining fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The valuation techniques used by the Group to determine the fair value are considered to be an income approach.

The income approach provides an estimation of the fair value of an investment based on expectations about the cash flows that the investment would generate over time. The Group used the yield calibration method to derive the discount rates of the loan investments. In applying the Yield calibration method, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the loan investment was involved in an arm's length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the investment was re-priced. In addition, inputs used under the yield calibration method include assessment of the credit spread of comparable securities and indices and changes in credit quality of the borrower as at 31 December 2022 and 2023.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The Group believes that use of different methodologies or assumptions in determining the fair value of the above financial instruments would result to immaterial changes in fair value.

The Group's reporting systems and the nature of the instruments and the valuation models do not allow it to accurately analyse the total annual amounts of gains/losses that are attributable to observable and unobservable inputs.

16. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Group's investment programme seeks to maximise the returns derived for the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance (the "Investment Programme").

The Group has appointed an Investment Manager to provide investment management services in relation to the portfolio of investments it holds. These services, as part of the investment management agreement (the "Investment Management Agreement"), include monitoring and managing the risks associated with holding such investments through the application of the Investment Programme as agreed with the Foundation's Trustees.

The Group's Investment Programme seeks to diversify its investments across a range of asset classes, industry sectors, and counterparties, and also to limit the use of leverage and off balance sheet commitments.

All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss of capital on investments carried at amortised cost is the carrying value of those investments as well as any associated accrued interest receivable. The maximum loss of capital on written put options, equity swaps and forward foreign exchange contracts is limited to the notional contract values of those positions. For loans and securities which incorporate a future commitment there is a risk of loss of capital in excess of the carrying amount of those positions on the Consolidated Balance Sheet. The Group may be obliged to settle these commitments at a time when the investment is impaired and therefore the maximum additional loss is the total amount of commitments as disclosed in Note 23.

The Group is exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Settlement risk is the risk that a counterparty does not deliver a security or its value in cash as agreed when the security was traded after the Group has already delivered security or cash as per the trade agreement. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the custodian or counterparty, in the event of its failure, any cash balances held by the Group are at risk of being lost and the ability of the Group to transfer securities might be temporarily impaired.

With respect to the privately placed loan agreements the Group is exposed to a wide variety of operational risks specific to such investments. These risks are mitigated by the engagement of industry experts, legal advisors and independent loan servicing agents during the pre-commitment due diligence process and throughout the life of the deal.

The Group invests in readily tradeable equity securities and forward foreign exchange contracts. These investments are generally traded in active secondary markets and the time taken to exit a position and the value received would depend upon factors including the size of the position relative to the total issue size, the daily average traded volume and the prevailing market trends of the period in which the trade is executed. The Group also invests in privately traded equity securities, bank debt and loans. The market for these types of investments is illiquid and secondary market transactions are infrequent. It is more difficult to predict the time and exit price of these type of investments.

The Group's activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. In accordance with the Investment Programme, the Investment Manager uses different methods to measure and manage the various types of risk to which the Group's investments are exposed; these methods are explained below.

The Investment Manager conducts regular reviews of the loans and engages with the loan servicer to monitor progress, and may also seek expert third party opinions where required. The Trustees gain assurance from the Investment Manager through the regular review meetings, as well as the collateral assessments that are carried out on an annual basis.

Furthermore, the Group's policy is to manage price and credit risk through diversification and selection of securities and other financial instruments within specified limits set in the Investment Programme.

Market Risk

(a) Price risk

The Group is exposed to securities price risk and derivative price risk. This arises from investments held by the Group for which prices in the future are uncertain. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the US dollar, the price initially expressed in foreign currency and then converted into US dollar will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the directors of the General Partner of ClIFF Capital in the Investment Programme. The Investment Programme contains restrictions on overall market exposure (the "Exposure Policy"). The Exposure Policy regarding overall exposure states that market exposure shall not exceed 100% of the Reference NAV.

The use of the term "Reference NAV" within the risk management policies refers to the value of the net assets of the Group. The Investment Programme seeks to manage the Group's exposure to price risk by analysing the investment portfolio by industrial sector.

The table below is a summary of the sector exposures which are included in the Reference NAV for the purpose of monitoring the investment restrictions.

Sector	% of Reference NAV	
	31 December 2023	31 December 2022
Industrials	52.1%	41.7%
Real estate loans	19.0%	19.3%
Financials	14.9%	13.2%
Information technology	2.9%	14.4%
Other	10.7%	8.4%
	99.6%	97.0%

The paragraph below summarises the sensitivity of the Group's equity (the "Equity Investments") to equity price movements, derived by regressing the daily returns of the Group's Equity Investments against the daily returns of the MSCI World Equity Index including net dividends reinvested (the "Index") (Bloomberg ticker "NDDUWI"), and including the effect of movements in foreign currency exchange rates on equity prices, as at 31 December 2023 and 31 December 2022.

The analysis uses the arithmetic mean of the absolute one year moves of the Index aligned with the Group's financial year as an estimate for the reasonably possible annual move in global equity prices. For 31 December 2023 this is 11.53% (2022: 21.09%). This represents the best estimate of a reasonable possible shift in the Index over a period of one year, having regard to the historical volatility of the index. As at 31 December 2023, the exposure of the Group to Equity Investments was US\$4,623,551k (2022: US\$3,932,409k).

In 2023, the beta of the Group's Equity Investments against movements in the Index was 0.70 (2022: 0.63). The figures below give an estimation of a reasonable possible change in the fair value of the Group's Equity Investments over the period of one year, using the beta value stated above.

	2023 US\$ '000	2022 US\$ '000
Predicted effect on the Group's Equity Investments of an increase in the index	372,450	522,444
Predicted effect on the Group's Equity Investments of a decrease in the index	(372,450)	(522,444)

The Index has been used as the reference point in determining the effect of price risk only. The Investment Manager does not manage the Group's investment strategy to track this index or any other index or external benchmark. The sensitivity analysis presented is based upon the Equity Investments composition as at 31 December 2023 and 31 December 2022 and the historical correlation of the returns from the securities comprising the Equity Investments to the Index returns. The composition of the Group's Equity Investments, and the correlation thereof to the Index, is expected to change over time. The sensitivity analysis prepared as at 31 December 2023 and 31 December 2022 is not necessarily indicative of the effect on the Group's investments of future movements in the level of the Index.

(b) Foreign currency risk

The Group operates internationally and holds both monetary and non-monetary assets denominated in currencies other than its functional currency, the US dollar. Foreign currency risk as defined, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The table below shows the concentration of assets and liabilities denominated in currencies other than the US dollar at 31 December 2023 and 2022 and has been analysed between monetary and non-monetary items.

31 December 2023		Non	Currency	Net
Currency	Monetary US\$ '000	Monetary US\$ '000	forward US\$ '000	exposure US\$ '000
Canadian Dollar	589	748,016	(567,015)	181,590
Chinese Renminbi	-	-	(5,902)	(5,902)
Ethiopian Birr	74	-	-	74
Euro	252,786	2,111,196	(1,413,649)	950,333
Indian Rupee	1,112	-	-	1,112
Kenyan Shilling	494	-	-	494
Pound Sterling	3,528	-	(224,281)	(220,753)
Swiss Franc	358	-	(20,994)	(20,636)
Poland Zloty	-	-	(57,912)	(57,912)

31 December 2022

Currency	Monetary US\$ '000	Non Monetary US\$ '000	Currency forward US\$ '000	Net exposure US\$ '000
Canadian Dollar	617	705,903	(546,754)	159,766
Chinese Renminbi	324	-	-	324
Ethiopian Birr	7	-	-	7
Euro	231,396	1,541,017	(1,214,681)	557,732
Indian Rupee	623	-	-	623
Kenyan Shilling	167	-	-	167
Pound Sterling	98,655	-	(280,894)	(182,239)
Swiss Franc	326	-	(14,843)	(14,517)
Poland Zloty	-	-	(43,995)	(43,995)

The following table shows the 260 day historical volatility rates between the US dollar and a range of currencies. These rates provide a best estimate of a potential move in the exchange rate over a period of 12 months as at the statement of financial position date.

Historical volatility rates

	2023 %	2022 %
Canadian Dollar	6.15	8.37
Chinese Renminbi	5.18	-
Ethiopian Birr	3.19	-
Euro	7.55	10.06
Indian Rupee	3.17	5.22
Japanese Yen	-	12.08
Kenyan Shilling	2.30	1.28
Pound Sterling	8.28	12.49
Swiss Franc	7.88	9.35
Poland Zloty	10.96	15.46

The following table summarises the amount of the increase/(decrease) in net assets arising from an increase/ (decrease) of the exchange rate in line with the above volatility rates, with all other variables held constant. The analysis below presents the changes in net assets for each currency in their absolute values.

Change in net assets	2023 US\$ '000	2022 US\$ '000
Canadian Dollar	11,168	13,372
Chinese Renminbi	(306)	-
Ethiopian Birr	2	-
Euro	71,750	56,108
Indian Rupee	35	33
Kenyan Shilling	11	2
Pound Sterling	(18,278)	(22,762)
Swiss Franc	(1,626)	(1,357)
Poland Zloty	(6,347)	(6,802)

(b) Foreign currency risk(continued)

The objective of the Group's currency risk management policy is to allow the Group to retain its purchasing power and minimise the risk that its purchasing power is reduced as a result of foreign exchange rate fluctuations. The investment process focuses on fundamental and systematic factors. The Investment Manager monitors the currency risk on an ongoing basis and reports to the Finance, Audit and Investment Committee on a quarterly basis.

(c) Interest rate risk

The Group holds liquid, interest-bearing assets and liabilities such as cash and brokerage accounts, where changes in interest rates would change the amount of interest received or paid in relation to these balances.

The Group's investments in loans are carried at fair value. In determining fair value, the Group uses discounted cash flow techniques and recognises income at a rate based upon the effective interest rate of all expected cash flows over the life of the loan. For all loan investments, the discount rate used in the fair valuation model is calibrated against movements in market interest rates and changes in credit quality of the borrower.

The following table summarises the Group's exposure to interest rates. It includes the Groups asset and liabilities, categorised by the earlier of contractual re-pricing and maturity dates. The sensitivity analysis presented is based upon the composition of the Group's asset and liabilities at 31 December 2023 and 31 December 2022 and is not necessarily indicative of the effect on the Group's asset and liabilities of future movement in interest rates.

	< 3 months	3 months - 1 year	> 1 year	Non- Interest rate sensitive	Non- interest bearing	Total
31 December 2023	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	96,896	-	-	-	-	96,896
Cash pledged as collateral	34,719	-	-	-	-	34,719
Investment assets/(liabilities)	-	-	-	1,022,345	4,867,642	5,889,987
31 December 2022	< 3 months	3 months - 1 year	> 1 year	Non- Interest rate sensitive	Non- interest bearing	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	181,738	-	-	-	-	181,738
Cash pledged as collateral	332	-	-	-	-	332
Investment assets/(liabilities)	-	-	-	1,009,917	4,108,950	5,118,867

Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is also exposed to concentration risk and reviews the credit concentration of debt securities held based on counterparties and industries.

The Group's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Group's credit risks arise principally through exposures to loans, bank deposits, and derivative counterparties.

All of the loan investments held by the Group are secured in most cases against physical assets including real estate and property. The value of the security relating to a loan investment may become equal to or less than the value of the loan that it secures. Accordingly, in the event of a default the Group may incur a loss after all costs relating to obtaining and selling secured assets have been taken into account. Although the Group monitors the value of the secured assets on a periodic basis, as there is no active market for the positions, their risk is managed on an exposure basis, with not more than 55% of the Reference NAV to be drawn under loans classified as Real Estate Debt (as outlined in the Investment Management Agreement). Due to the illiquid nature of such loans and the variety of risks attached including property development and concentration risk, significant losses could arise.

Loans

At 31 December 2023, the Group held investments in loans valued at US\$1,022,345k (2022: US\$1,009,917k). The key risk relating to each of these loans is the possibility that the borrower will not repay the interest and principal relating to the loan in full. To protect the Group against this possibility of default, security is sought from the borrower over assets worth more than the value of the loan outstanding. This security normally takes the form of prime real estate assets in developed markets. The Group monitors the value of the assets pledged as security by engaging independent experts to provide valuations on the assets on a periodic basis and considers metrics such as loan-to-value or loan-to-commitment ratio.

Through the assets against which the loans are secured, the Group has an indirect exposure to reductions in asset valuations as a result of a market crash or other tail events. This may result in the amount lent under a loan being greater than the value of the secured assets and increase the probability of the loans going into default.

The Group is also protected by covenants built into its loan agreements which require immediate repayment in the event that the borrower breaches certain covenants. These are agreed on a loan-by-loan basis at the origination of each deal and may include metrics such as loan-to-value ratio, interest cover and other performance based metrics. As of 31 December 2023, the borrowers under a privately placed loan investment held by a CIFF subsidiary was in breach of its loan covenants (2022: one loan). The subsidiary has reserved its rights against the borrower with regard to the breaches, and has chosen not to accelerate the loan but will continue to work with the borrower in order to allow for the ongoing sale of residential units and the resulting pay-down of the loan.

The privately placed loan investment held by 86th Street Lender LLP was disposed on 10 March 2022. As a result of this disposal, on 10 March 2022, CIFF Capital received a distribution of US\$56,505,602. There is a claim against the guarantors for the remaining amount. During 2023, 86th Street Lender LLP received US\$2,566,897 against its recognised claim against the guarantors and distributed it to CIFF Capital.

The Group also seeks to obtain certain guarantees from credit worthy affiliates of the borrower. Guarantees for 'completion', 'carry' and 'recourse obligations' guarantee (i) the lien-free completion of the relevant project (or the payment of an equivalent amount to the lender to allow it to complete), (ii) the payment of carry costs until the earlier of loan repayment and completion (including interest and costs) and (iii) any losses incurred by the lender as a result of specified acts of the borrower or related parties. The relevant guarantors are usually required to satisfy a minimum net worth and liquidity covenant.

Counterparty credit risk

The Group is also exposed to counterparty credit risk through the trading of derivative products, cash and cash equivalents, cash pledged as collateral, amounts due from brokers and other receivable balances. One element of counterparty credit risk is the monitoring of the credit ratings of parties where all material amounts due from brokers, cash and short-term deposits are held by parties with a credit rating A1/A.

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2023:

Counterparty	Credit rating at 31 December 2023		Credit exposure 31 December 2023	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	124,964	2.06%
JP Morgan Chase	Aa2	A+	22,206	0.37%
UBS AG	Aa2	A+	240	-
ABSA Group Limited	Ba3	N/A	494	0.01%
Citico Bank Nederland NV	N/A	N/A	258	-
Awash Bank	N/A	N/A	74	-
			148,236	2.44%

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2022:

Counterparty	Credit rating at 31 December 2022		Credit exposure 31 December 2022	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	159,138	2.99%
JP Morgan Chase	Aa2	A+	25,017	0.47%
UBS AG	Aa3	A+	54	-
ABSA Group Limited	Ba3	zaAA	167	-
Citico Bank Nederland NV	N/A	N/A	217	-
Awash Bank	N/A	N/A	22	-
			184,615	3.46%

Credit risk is also managed by a policy contained in the Investment Programme to maintain exposures to any one counterparty to less than 15% of its Reference NAV.

In the event of any breach of the above restrictions not remedied within 3 business days of the date of such breach, the Foundation management shall in their sole discretion determine the action and will seek to achieve, where practicable, a rectification of the breach within a reasonable timeframe and/or a commercial economic advantage.

In addition, the Group also restricts its exposure to credit losses on the trading derivative instruments it holds by including netting agreements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. These netting provisions do not result in an offset on the Consolidated Balance Sheet, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by netting to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The Group's overall exposure to credit risk on derivative instruments subject to a netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the counterparty has received payment. Payment is made on a purchase once the securities have been received by the Group. The trade will fail if either party fails to meet its obligation.

The Group has appointed HSBC Bank plc ("HSBC") as custodian and prime broker and provider of other services (including financing) under the terms of the HSBC Prime Custody Agreement. HSBC will act as banker, custodian and prime broker of the cash and securities delivered to HSBC and will be responsible for receipt and disbursement of cash on behalf of the Group, for the receipt and safe custody and registration of securities of the Group and for the transfer of securities for the Group. The Group has both a custody and collateral account with HSBC. HSBC will also provide financing and securities lending to the Group pursuant to the HSBC Prime Custody Agreement. The collateral required to support any financing, securities lending or other exposure of HSBC to the Group will be held in the collateral account with HSBC in the name of the Group. At 31 December 2023, 99% (2022: 98%) of cash and cash pledged as collateral and investments were placed in custody with HSBC.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

The Group has a global custody agreement with JP Morgan which gives JP Morgan a lien over and right of set-off against the assets held by it for the Group.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group is exposed to the daily settlement of margin calls on derivatives, settlement of funding requests on loans with an unfunded commitment (see Note 2(f) accounting policy on "Unfunded Commitments" for further details).

The Investment Manager monitors the Group's liquidity position on a daily basis, and in accordance with agreed risk framework reports to the Group on a monthly basis. The liquidity report has been designed to confirm that the Group has sufficient resources to cover projected outflows in a stress scenario given preset liquidity haircuts for each asset class.

As part of the management of liquidity risk, the Investment Programme prescribes a limit to the amount of unfunded commitments as a certain percentage of its Reference NAV.

The Group's main sources of liquidity are listed equity securities, actively traded corporate debt and cash deposits. The asset class investment restrictions ensure a proportion of the Group's assets are invested in these types of assets, which can be readily disposed.

The Group may also invest in derivative contracts that are traded over-the-counter, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Group may not be able to quickly liquidate these investments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The below tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the maturity date.

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2023						
Creditors: amounts falling due within one year	156,839	31,686	75,206	-	-	263,731
Creditors: amounts falling due in more than one year	-	-	-	78,985	-	78,985
Total liabilities	156,839	31,686	75,206	78,985	-	342,716

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2022						
Creditors: amounts falling due within one year	172,647	3,032	35,274	-	-	210,953
Creditors: amounts falling due in more than one year	-	-	-	147,973	-	147,973
Total liabilities	172,647	3,032	35,274	147,973	-	358,926

Unfunded commitments, which are not recognised on the Balance Sheet, are not included in the table above for the purpose of analysing the Foundation liquidity risk.

Unfunded commitments

As disclosed in Note 14, the Group has invested in loans and securities which incorporate an unfunded commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total unfunded commitments as at 31 December 2023 have been estimated as US\$564,215k (2022: US\$462,973k).

17. DEBTORS

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Dividends receivable	956	734	-	-
Amounts due from brokers Other debtors	16,621	3,790	-	-
	8,482	1,478	656	496
Amounts due from related parties Prepayments	-	-	-	4,540
	1,235	822	838	461
Total	27,294	6,824	1,494	5,497

The amounts due from brokers includes cash from forward foreign exchange contracts closed but awaiting settlement, cash from trades sold but which have not yet settled and interest receivable.

18. CASH AT BANK AND IN HAND

Cash at bank includes amounts due from the Group's custodian and other counterparties, on demand and interest bearing deposits with original maturities of less than 3 months.

Cash pledged as collateral includes collateral balances held at year end with the Group's custodian and prime broker and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin exposures at the year end date.

The total of cash at bank and cash pledged as collateral is shown on the face of the Consolidated Balance Sheet and the movement reflected within the Consolidated Cash Flow Statement.

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2023:

Group	Cash at bank and in hand 31 Dec 2023 US\$ '000	Cash pledged as collateral 31 Dec 2023 US\$ '000	Cash and cash equivalents 31 Dec 2023 US\$ '000	Amounts due from brokers 31 Dec 2023 US\$ '000	Amounts due to brokers 31 Dec 2023 US\$ '000	Net counterparty position 31 Dec 2023 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	73,624	34,719	108,343	16,621	-	124,964
Other counterparties JP						
Morgan Chase	22,206	-	22,206	-	-	22,206
UBS AG	240	-	240	-	-	240
ABSA Group Limited	494	-	494	-	-	494
Citco Bank Nederland NV	258	-	258	-	-	258
Awash	74	-	74	-	-	74
Total	96,896	34,719	131,615	16,621	-	148,236

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2022:

Group	Cash at bank and in hand 31 Dec 2022 US\$ '000	Cash pledged as collateral 31 Dec 2022 US\$ '000	Cash and cash equivalents 31 Dec 2022 US\$ '000	Amounts due from brokers 31 Dec 2022 US\$ '000	Amounts due to brokers 31 Dec 2022 US\$ '000	Net counterparty position 31 Dec 2022 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	156,261	332	156,593	3,790	(1,245)	159,138
Other counterparties JP						
Morgan Chase	25,017	-	25,017	-	-	25,017
UBS AG	54	-	54	-	-	54
ABSA Group Limited	167	-	167	-	-	167
Citco Bank Nederland NV	217	-	217	-	-	217
Awash	22	-	22	-	-	22
Total	181,738	332	182,070	3,790	(1,245)	184,615

The following table shows the breakdown of the cash and cash equivalents of the Foundation held with counterparties as at year end:

Foundation	Cash and cash equivalents 31 Dec 2023 US\$ '000	Cash and cash equivalents 31 Dec 2022 US\$ '000
HSBC Bank plc JP	40,062	42,942
Morgan Chase	22,196	19,623
ABSA Bank	494	167
Awash Bank	68	20
	62,820	62,752

19. CREDITORS: amounts falling due within one year

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Amounts due to brokers	-	1,245	-	-
Grants	149,980	158,886	149,980	158,886
Creditors	3,946	6,399	944	683
Loan collateral	31,991	-	-	-
Intercompany creditors	-	-	415,995	5,433
Derivative financial instrument	46,834	14,430	-	-
liabilities Accruals and deferred income	30,804	29,880	12,407	11,195
Taxes and social security costs	176	113	176	113
	263,731	210,953	579,502	176,310

The amounts due to brokers include cash from trades purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

20. CREDITORS: amounts falling due after one year

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Creditors payable between 1 and 2 years	78,185	75,973	75,000	72,000
Creditors payable between 2 and 5 years	800	72,000	800	72,000
Creditors payable after 5 years	-	-	-	-
	78,985	147,973	75,800	144,000

21. MOVEMENT IN FUNDS

Funds were transferred from the Expendable Endowment Fund to the Designated Funds at the year end.

Group	Balance as at 31 Dec 2022 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds ² US\$ '000	Balance as at 31 Dec 2023 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	160,000	(521,967)	-	832	-	361,135	-
Designated funds	914,321	-	-	-	-	-	69,969	984,290
Restricted income funds	8,227	50,748	(39,357)	-	-	-	(5,361)	14,257
Expendable endowment fund	4,036,114	87,976	-	1,017,077	-	3,524	(425,743)	4,718,948
Total funds	4,958,662	298,724	(561,324)	1,017,077	832	3,524	-	5,717,495

Group	Balance as at 31 Dec 2021 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds ² US\$ '000	Balance as at 31 Dec 2022 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	-	(488,401)	-	(971)	-	489,372	-
Designated funds	950,853	-	-	-	-	-	(36,532)	914,321
Restricted income funds	8,099	20,756	(17,554)	-	-	-	(3,074)	8,227
Expendable endowment fund	4,922,190	51,101	-	(477,397)	-	(10,014)	(449,766)	4,036,114
Total funds	5,881,142	71,857	(505,955)	(477,397)	(971)	(10,014)	-	4,958,662

(1) Reserves retained by subsidiary undertakings and general unrestricted funds are disclosed in total in the tables above and total US\$126,712k (2022: US\$155,423k).

(2) Transfers between funds relate to transfers from the expendable endowment to meet charitable expenditure and reflect funds earmarked to fund approved multi-year programmes. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects.

Foundation	Balance as at 31 Dec 2022 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2023 US\$ '000
Unrestricted							
Income funds	-	165,692	(513,209)	-	3,534	343,983	-
Designated funds	914,321	-	-	-	-	69,969	984,290
Restricted income funds	-	50,748	(38,213)	-	-	(5,361)	7,174
Expendable endowment fund	4,045,613	-	-	1,091,199	-	(408,591)	4,728,221
Total funds	4,959,934	216,440	(551,422)	1,091,199	3,534	-	5,719,685

Foundation	Balance as at 31 Dec 2021 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2022 US\$ '000
Unrestricted							
Income funds	-	30,861	(474,453)	-	(1,118)	444,710	-
Designated funds	950,853	-	-	-	-	(36,532)	914,321
Restricted income funds	-	20,756	(17,554)	-	-	(3,202)	-
Expendable endowment fund	4,930,877	-	-	(480,288)	-	(404,976)	4,045,613
Total funds	5,881,730	51,617	(492,007)	(480,288)	(1,118)	-	4,959,934

As at 31 December 2023, the Trustees have allocated US\$984,290k (2022: US\$914,321k) of reserves as designated funds which represents funds that may be called upon to be disbursed to multi-year programmes.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The table below presents the allocation of the group balance sheet across the three different categories of funds. For further details of the funds, refer to page 36.

	Expendable Endowment US\$ '000	Unrestricted Funds- Designated US\$ '000	Restricted Funds US\$ '000	Total 31 Dec 2023 US\$ '000	Total 31 Dec 2022 US\$ '000
Intangible assets	-	3,450	-	3,450	500
Tangible assets	-	796	7,069	7,865	9,327
Investments	4,387,567	1,495,232	7,188	5,889,987	5,118,867
Other assets	94,595	64,314	-	158,909	188,894
Liabilities	236,786	(579,502)	-	(342,716)	(358,926)
	4,718,948	984,290	14,257	5,717,495	4,958,662

23. COMMITMENTS

At 31 December 2023, the Group had outstanding commitments of US\$22,098k (2022: US\$32,756k) in relation to the unquoted investments held within the investment portfolio.

The Group has also invested in loans which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2023 have been estimated as US\$564,215k (2022: US\$462,973k).

The investment commitments are funded by the Foundation and are spread out over the life of the investments.

24. OPERATING LEASES

The total rent charged as an expense in the SOFA, is disclosed below:

	Group Year ended 31 Dec 2023 US\$ '000	Group Year ended 31 Dec 2022 US\$ '000	Foundation Year ended 31 Dec 2023 US\$ '000	Foundation Year ended 31 Dec 2022 US\$ '000
Rent	1,634	1,588	1,628	1,583

The Group had commitments to future minimum lease payments under non cancellable operating leases at the year end as follows:

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Land and Building				
Less than one year	1,322	1,337	1,316	1,331
Between one and five years	2,181	3,681	2,181	3,675
More than five years	-	-	-	-
	3,503	5,018	3,497	5,006

Includes a commitment under an operating lease with TCI Fund Management (UK) Limited to pay rentals during the period following the period of these accounts of US\$692k (2022: US\$683k) and US\$1,787k between one and five years following the period of these accounts (2022: US\$2,449k).

The total rental income included within the SOFA, is disclosed below:

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Rental income	4,171	3,961	-	-

The Group is a lessor of UK investment property. The total non-cancellable future minimum lease payments expected to be received are:

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Less than one year	4,333	3,965	-	-
Between one and five years	17,768	16,262	-	-
More than five years	34,742	36,282	-	-
	56,843	56,509	-	-

The Group holds 98% of the freehold of a property in Chiswick, UK. The freehold acquired is leased to a third party. The lease commenced on 1 July 2008 with a lease term of 25 years and is due to expire on 30 June 2033. It includes a provision for an annual rent review every 13th of July. The rent concession period will end on 13 May 2024 and there will be no change to rental income terms after this date.

25. RELATED PARTIES

Investment Manager

TCI Fund Management Limited ("TCI FM") acts as investment manager to certain members of the Group. TCI FM, and its various group entities, are ultimately controlled by Sir Christopher Hohn, a member and trustee of CIFF.

TCI FM is not entitled to any fee for these investment management services. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to TCI FM and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital UK LP, which acts as the new main investment holding company of the CIFF Group.

In 2023, the Group invested in a private investment partnership ("PIP") and has appointed TCI Fund Management Limited as its investment manager. The Investment Manager does not charge a management fee to the Group for its services to the PIP. Any carry payable by the Group in connection with its investment in the PIP will be payable to an affiliate of AVE Capital Limited (see 'Intermediary' below). As at 31 December 2023, the Group's share in PIP is fair valued at US\$107,045k (31 December 2022 : US\$nil) and disclosed in note 14 as 'Investment funds'.

During 2023, an amount of US\$953k (2022: US\$918k) was charged to entities within the Group from TCI FM, in relation to expenses incurred by TCI FM on behalf of the CIFF Group investment portfolio, mainly consisting of research fees incurred by TCI FM for the benefit of CIFF with third parties, no amounts remained payable as at 31 December 2023 (2022: US\$65k).

Furthermore, for the year ended 31 December 2023 CIFF was also charged US\$996k (2022: US\$1,004k) by TCI's holding company, TCI Fund Management (UK) Limited, in respect of rent and associated property costs, of which US\$502k remained payable as at 31 December 2023 (2022: US\$248k).

Donations

During 2023, TCI FM made restricted donations of US\$45,387k (2022: US\$14,560k) to support the charitable activities of the Foundation. As at 31 December 2023, TCI FM had committed additional restricted funding of US\$34,961k (2022: US\$25,704k) to be paid in future years. TCI FM also made unrestricted donations of US\$160m (2022: US\$nil) during 2023, and have agreed to donate US\$160m unrestricted funding to be paid in 2024.

Sir Christopher Hohn is also the founder and trustee of the CH Foundation (UK) which during 2023 made restricted donations to the Foundation of US\$2,344k (2022: US\$2,854k). As at 31 December 2023, the CH Foundation (UK) had committed additional restricted funding of US\$3,912k (2022: US\$6,256k) to be paid in future years.

The remuneration of the Key Management Personnel is set out in Note 10.

Subsidiary director fees

During the year, directors' fees of US\$15k (2022: US\$14k) for Jackie Gilroy were charged to Talos, and fees of US\$167k (2022: US\$135k) for Jackie Gilroy, Sonia Gogna, William Gourlay, Jonathan Watts and Tristan van der Vijver were charged to CIFF GP. No other directors of CIFF subsidiaries were entitled to fees.

Common trustees

In the normal course of charitable granting, there can be instances where the grants to charities that have trustees in common with the Foundation. The Foundation does not disclose grants to these charities as related party transactions, as the trustees are part of a collective of non-related trustees and are not considered to be in a significant position of influence. The Trustees are satisfied that appropriate procedures are in place to ensure that any potential conflicts of interest are appropriately managed and avoided.

Other transactions with Group companies

The Foundation has taken advantage of the exemption contained in FRS 102, paragraph 33.1A, not to disclose other transactions with group companies as all are wholly owned subsidiaries of the Foundation and the consolidated financial statements are publicly available. Copies can be requested from the company secretary.

26. SERVICE PROVIDERS

Administrator

Group entities have entered into administration agreements with the Administrator, Citco Fund Services (Ireland) Limited. The Administrator receives from Group entities a monthly administration fee which is calculated as a percentage of Adjusted Assets on a sliding scale. The total administration fee for the year was US\$1,953k (2022: US\$1,941k), of which US\$169k (2022: US\$155k) was payable at year end.

Custodian and Prime Broker

The Group has a custody agreement with HSBC. The Group retains beneficial ownership of assets held by HSBC. Cash and securities deposited with HSBC are repayable on demand. In addition, the Group's cash held with HSBC will be segregated from HSBC's own cash. HSBC is not permitted to utilise, re-hypothecate or otherwise appropriate the assets of the Group, however HSBC will acquire a security interest in any assets that are provided as collateral to HSBC by the Group.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

The Group has a global custody agreement with JP Morgan which gives JP Morgan a lien over and right of set-off against the assets held by it for the Group.

Intermediary

AVE Capital Limited (AVE) is engaged to provide intermediary services in relation to bringing together CIFF Capital and other CIFF subsidiaries, as the lending party, with third parties, as the borrowing parties, in potential real estate debt transactions pursuant to the terms of an intermediary services agreement signed in October 2020. None of TCI FM, Christopher Hohn or any other parties related to them have any financial interest in AVE. Group entities pay fees to AVE Capital Limited in relation to the intermediary services (the Intermediation Fee). The total Intermediation Fee charged to the SOFA for the year was US\$3,001k (2022: US\$6,285k), with US\$21,530k payable as at 31 December 2023 (2022: US\$22,548k).

Investment Manager

TCI FM is not paid any fee for investment management services to CIFF. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to the Investment Manager and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF.

27. POST BALANCE SHEET EVENTS

Based on reporting from the investment manager in accordance with the investment management arrangements, the Trustees have become aware of a legal action being taken against (among others) two subsidiaries in the CIFF Group. Whilst the Trustees have not received direct notification of the legal action (as the charity is not named), in accordance with the investment management agreements, the investment manager's in-house legal team is managing and discharging the defence on behalf of the subsidiaries and is taking relevant external legal advice. The Trustees understand that based on such external legal advice, the investment manager believes that the legal action is without merit, and accordingly, no provision has been made in these financial statements by the Trustees.

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Children's Investment Fund Foundation (UK), a charitable company limited by guarantee (without a share capital) incorporated in England and Wales. Pursuant to article 7 of the Foundation's Articles of Association, every member promises that if the charitable company is dissolved while he, she or it remains a member or within 12 months afterwards, to pay up to one pound sterling towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.

The Foundation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2023. The consolidated financial statements of the Foundation is available from the Company Secretary at 7 Clifford Street, London, W1S 2FT.

29. APPROVAL BY THE TRUSTEES

The financial statements were approved by the Trustees on 13 June 2024.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

GROUP INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

CONSTITUTION	A Company limited by guarantee and an English registered charity governed by its Memorandum and Articles of Association
COMPANY NUMBER	4370006
REGISTERED CHARITY NUMBER	1091043
TRUSTEES	Sir Christopher Hohn Mr Benjamin Goldsmith Mr Masroor Siddiqui Ms Ana Weichers Marshall Dr Marko Lehtimäki
REGISTERED OFFICE	7 Clifford Street London W1S 2FT
COMPANY SECRETARY	Bradley Duncan 7 Clifford Street London W1S 2FT England
BANKERS	HSBC Bank plc Level 18 8 Canada Square London E14 5HQ
SOLICITORS	Mills & Reeves LLP Botanic House 100 Hills Road Cambridge CB2 1PH
INDEPENDENT AUDITOR	KPMG 1 Harbourmaster Place, IFSC Dublin 1 Ireland
INVESTMENT MANAGER	TCI Fund Management Limited 7 Clifford Street London W1S 2FT England



**CHILDREN'S
INVESTMENT FUND
FOUNDATION**

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

England & Wales - Charity number 1091043

Accounts

The Children's Investment
Fund Foundation (UK)
Annual Report for the year
ended 31 December 2022

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Message from the Chair

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Over the past 20 years, we have broadened our understanding of how to affect change for children.

Sir Christopher Hohn

Founder and Chair
15 June 2023

2022 was an important year for CIFF and for me, as it marked 20 years of striving to improve the lives of children, solving some of the world's most complicated problems and working with extraordinary partners. It has also been a 20-year learning curve.

Our mission as an organisation has not fundamentally changed. We have, however, broadened our understanding of how to affect change for children. We are now one of the most significant funders of climate solutions in the world. We are also committed to promoting girls' empowerment: taking an increasingly integrated approach to our work on sexual and reproductive health, child protection, education and skilling.

Seeing the impact that philanthropy can have has always given me immense joy. In 2022, I was pleased to see important areas of CIFF's work with partners reach tipping points. In response to the unprecedented child malnutrition crisis, which has been exacerbated by the climate crisis, CIFF has been working to **raise child malnutrition as a global**

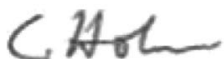
priority for innovation and large-scale investment for many years. This has resulted in the establishment and expansion of the Child Nutrition Fund, a potential game changer, as the largest centralised response to combat child wasting at scale, drawing in resources from governments and philanthropy. We also saw an important milestone towards **breaking the cycle of HIV transmission**, with CIFF's \$33 million commitment to The Global Fund to Fight AIDS, Tuberculosis and Malaria, for the preventative treatment, PrEP. This commitment was matched by the Global Fund and marks a critical step in defeating HIV. The leverage of both the Child Nutrition Fund and the Global Fund demonstrate that we are so much more impactful when we come together in partnership with governments and multilateral institutions.

It was also immensely gratifying to me to see how longstanding partnerships have yielded results. Following our decade-long work with the Carter Centre to eradicate *Dracunculus medinensis*, the parasite that causes Guinea worm disease, in 2022 the Democratic Republic of Congo was certified as transmission free. This is the sixth country in our programme which has achieved this status, over the course of the ten years. Cases of Guinea worm globally have gone from 3.5 million a year in 1986 to just 10 human instances in 2022 – demonstrating the potential impact of focused, long-term partnership.

So many life-saving or life-changing interventions cost relatively little, compared to their profound impact. In the case of the blinding disease trachoma, surgery to restore an individual's sight costs less than \$100, but can bring significant economic benefits to communities, not to mention the personal impact on those reached. We know that investing in sexual reproductive health, every \$1 spent

yields \$120 in longer-term social and health benefits, as well as enabling women and girls to make decisions about their own healthcare and motherhood, fulfil their educational potential and earn their own income. The case for investing is undeniable.

I want to thank the CIFF staff, trustees and partners for their dedication and hard work, both in 2022 but also over the many years before that. I know that many of you, like me, are driven by your passion to address inequalities and create a better world. With global challenges increasing, the time to step up is now: be it governments taking their place on the international stage, or individuals using their resources for targeted and effective philanthropy. We have a moral duty to use the position and resources we have, in the service of others. Doing so will create a much fairer and more joyous world.



Sir Christopher Hohn
Founder and Chair
15 June 2023

Message from the CEO

“

Cliff's mission – across our strategic goals of gender empowerment and informed choice, safe and healthy childhoods, and climate action – is now more important than ever.

Kate Hampton

CEO
15 June 2023

Our Annual Report is being published at a **profoundly challenging global moment**. In the last year – Cliff's 20th anniversary year – governments and their citizens have been confronted with a poly-crisis. Escalating food and energy prices have combined to drive a cost-of-living crisis. Geopolitical tensions have risen over fundamental questions of conflict governance and multilateralism. Fiscal space has shrunk in the countries who need it most, whilst systemic solutions from the world's most powerful countries have remained absent. All the while, climate change has continued to be a threat multiplier.

Against this backdrop, and whilst global decision-makers continue to focus on short-term firefighting, our overarching goal, **to create a healthy, fair, and safe world for children**, has become harder to reach. The Human Development Index has declined for the first time in three decades, basic services such as education have suffered from pandemic disruption, and erosion of the social protection floor has continued around the world. As ever, it is the most vulnerable, and particularly children, who have borne the brunt.

The worsening global context means the breadth of Cliff's mission – across our strategic goals of **girls' empowerment and informed choice, safe and healthy childhoods, and climate action** – is more important than ever. Indeed, working to deliver change on climate and children's issues often unifies otherwise polarised actors, in the face of fraught division.

That is why I am particularly proud that we delivered a remarkable **\$530 million** in grant disbursements in 2022 and approved **\$400 million** in multiyear commitments, even

whilst consolidating after a year of rapid growth in 2021. Moreover, given the fiscal crises affecting many of the countries in which we work and the clear evidence that our current global system is not able to meet the challenges it is facing, CIFF has increasingly focused on the reform of the international financial architecture, to deliver more and better finance for SDG delivery this decade.

In all this work it is worth noting that, as the operating context becomes more challenging, the value of civil society only becomes more evident. Alongside our partners, we are bringing expertise and resources to bear on some of the world's most intractable problems. And that is why we continue to prioritise and invest in the **development of our wider ecosystem**, to ensure our community is breaking down silos and working systemically to enact change.

With that, I want to thank CIFF's founder Sir Chris Hohn, our trustees, our Executive Team, and all my CIFF colleagues, as well as our **exceptional network of implementation and funding partners across the globe**, for all that they did in

2022 and all that they continue to do to deliver for the communities we work with.



Kate Hampton, CEO
15 June 2023

2022 by the numbers

\$400m

Charitable Investments Approved

After exceptional levels of approvals in 2021, CIFF approved \$400 million of charitable investments in 2022.

\$530m

Grant Disbursements

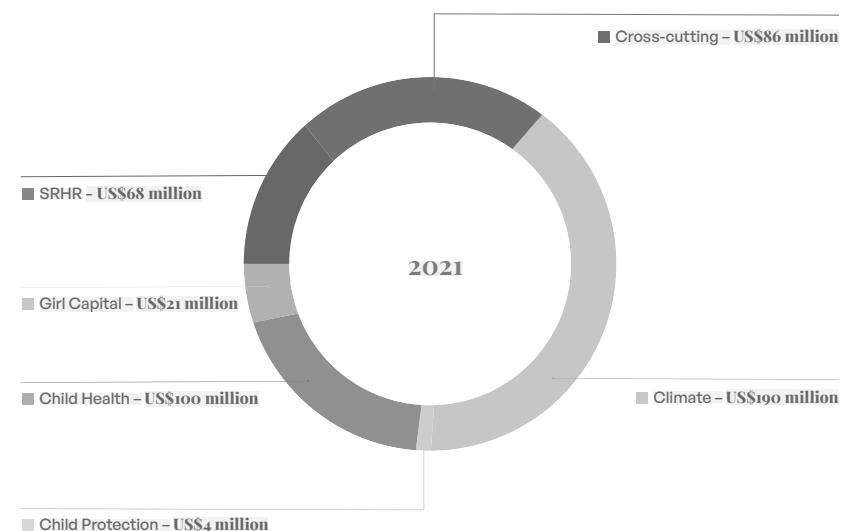
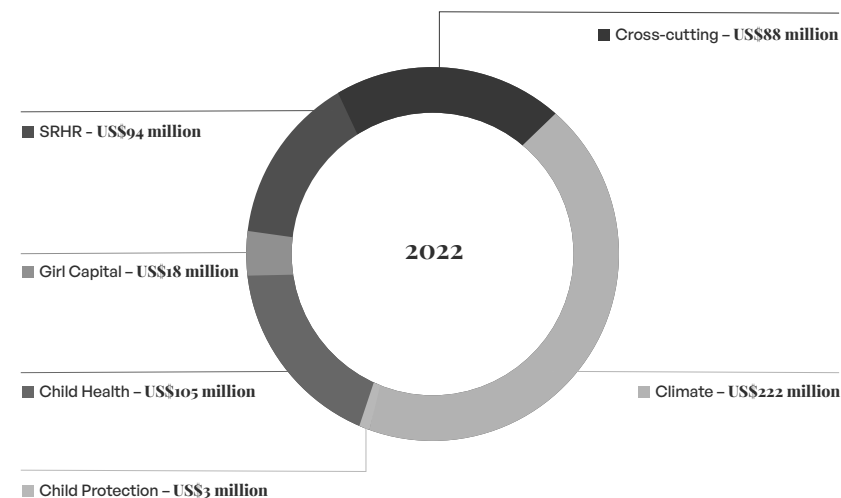
CIFF disbursed grants of \$530 million in 2022. Grant disbursements increased in 2022 by over \$60 million compared to 2021.

\$5.1bn

Endowment

A challenging economic environment led to negative investment returns for 2022, and after charitable expenditure the closing endowment value for 2022 reduced to \$5.1 billion. The size of the original endowment and the excellent investment returns achieved over the years continues to give CIFF the financial strength and stability to make substantial long-term commitments to the work of our grantees.

Charitable Payments by Programme – 2022 and 2021



Total Charity Funds 2022

US\$5.0 billion

Total Charity Funds 2021

US\$5.9 billion

Total Charitable Investments Committed 2022

US\$400 million

Total Charitable Investments Committed 2021

US\$772 million

Total Disbursed 2022

US\$530 million

Total Disbursed 2021

US\$468 million

Highlights of our impact in 2022

CIFF's commitment to the Global Fund: CIFF's commitment to the Global Fund: At the 7th triannual replenishment of the Global Fund for HIV, TB and Malaria, CIFF launched a major new partnership to scale bio-medical and behavioural interventions to **break the cycle of HIV transmission**.

Increasing access to contraceptive choices in Africa: Across the Sahel, CIFF's partners have scaled equitable access to contraceptive information and choices, with over **1.5 million individuals** accessing modern methods in a region with the world's lowest contraceptive prevalence.

Expanding digital learning for girls in India: Mission Buniyaad, a programme led by the Government of Rajasthan, which enables digital learning to help improve educational outcomes for girls, is now being scaled up across the state and is **set to reach up to one million girls**.

Highlights of our impact in 2022 continued

Guinea worm eradication in the DRC: CIFF has been partnering with the Carter Centre since 2012 on the eradication of *Dracunculus medinensis*, the parasite that causes Guinea-worm disease. In December 2022 the World Health Organization (WHO) certified The Democratic Republic of the Congo (DRC) as **transmission free of this debilitating disease**. This marks the sixth country declared free in the period that CIFF has been working with the Carter Centre (alongside Cote d'Ivoire, Ghana, Kenya, Niger, and Nigeria).

Across the rest of our NTD portfolio, CIFF also supported the delivery of over **58 million treatments** against Neglected Tropical Diseases (NTDs) in seven African countries.

The Child Nutrition Fund: Together with our partners CIFF has raised more than \$500 million in new funding for child wasting in 2022 – this means **more children than ever who need treatment for severe acute malnutrition, will have access**. The CIFF-supported Child Nutrition Fund saw five countries in 2022 accessing the ready-to-use therapeutic food match facility (RUTF) and multiple country programmes approved.

Highlights of our impact in 2022 continued

Climate action plans (CAPs) recognised as a global norm: CIFF's private finance strategy has continued to have a global impact - **4,000 companies disclosed Climate Action Plans (CAPs) to CDP in 2022, with a further 6,000 companies developing plans.** Starting in the EU, regulation is coming in 2024 mandating disclosure of plans across the G7 and in other major economies. Under the Say on Climate campaign led by CIFF partners, 60 major companies have put their plans to shareholders since 2020, leading to subsequent votes against directors and executive compensation where plans have been deemed insufficient. The G20, UNFCCC, OECD, Networking for Greening the Finance System (100 central banks) and GFANZ have made CAPs the central framework for managing the climate transition of companies and banks.

Growing renewable energy in East & South East Asia, and Europe: CIFF partners supported the **growth of renewable energy in our key geographies**, and across the EU, technical assistance, strategic communications and policy advocacy ensured.

Responding to Europe's energy crisis: the war in Ukraine focused attention on the need to rapidly reduce Europe's reliance on expensive, volatile fossil fuels, with CIFF partners helping to **identify the solutions and secure the policies to enable ambitious delivery.** Through technical assistance, strategic communications and policy support, ECF and its partners helped to create a policy and regulatory environment that is conducive to investment in renewables and energy efficiency, reducing costs and increasing security for households and businesses.

Our work in 2022

Global

Climate

In a year of **seismic and interconnected global crises**, CIFF's climate team and network of partners worked with a clear focus on reducing global emissions with an aim to limit temperature increase to 1.5°C above pre-industrial levels. Our strategies, which encompass multiple geographies, sectors and approaches, were adapted to respond to the geopolitical context and we strengthened our efforts to build resilient institutions working to tackle the climate crisis.

Despite challenges, the world saw **positive real-economy trends in 2022**: there was a rise in renewable energy deployment in China and South-East Asia, sales of electric vehicles soared around the world, and shifts were seen in overseas coal financing. Like China and India in 2021, the US ratified the Kigali amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, joining over 120 countries that have committed to reduce the consumption and production of super polluting hydrofluorocarbons.

At CIFF we continued to support and lead initiatives that leverage global action. Climate Action Plans have been recognised as a global norm by major institutions including the UN, the OECD and more. We are working with partners across a spectrum of approaches to **maintain the integrity of Net Zero promises**. Our partners advocated for mandatory data-based transition plans and the Say on Climate conference, attended by over 100 investors, regulators and civil society groups, called on corporates to make their actions bolder. We also supported the growth of legal pressure to hold corporates to account to deliver on climate promises that have been made.

To accelerate corporate action further, in Europe and America, CIFF grantees have supported shareholders to file ground-breaking lawsuits against their own companies (e.g. Shell, VW) whilst targeting banks (e.g. BNP Paribas for financing oil and gas). Several high-emitting companies have significantly strengthened their climate action in response to legal threats, and lawsuits have paved the way for two critical EU regulations that prevent the sale of deforestation-

linked products and force companies to adopt a 1.5°C-aligned pathway.

COP27, the first COP to be hosted in Africa, was a key moment for holding world leaders accountable for climate commitments. There was an onus on delivering in the interest of developing countries that are least responsible for the climate crisis yet often the most vulnerable to its impact. During the summit, while major progress was lacking on cutting emissions and actions to keep the 1.5°C target alive, we saw a breakthrough commitment to a loss and damage (L&D) fund, which will provide dedicated funding for vulnerable countries hit hard by climate disasters. During COP, CIFF supported the **first-ever Children and Youth COP Pavilion** helping to spotlight and empower youth action, whilst helping to launch a new Youth Climate Justice Fund. CIFF also supported the launch of the UN High-Level Expert Group report on non-state actors to drive net-zero accountability.

Other significant global initiatives backed by CIFF include a new partnership with the International Solar Alliance (ISA) to **strengthen the implementation of solar technologies** in over 58 countries and aiming to achieve a five-fold increase in solar capacity. The Initiative for Climate Action and Transparency (ICAT) continued to make progress, establishing two new regional hubs in Central Africa and Central Asia to build and improve **sustainable and comprehensive transparency frameworks** aligned with local needs. The CIFF-supported Ambition Initiative of NAMA Facility approved a total of eight **climate mitigation projects aligned with green recovery**: Costa Rica (Green Hydrogen), Kenya (Electric mobility and Solar powered cold chains), Nepal (Electric transportation and Sustainable forest management), Mongolia (Clean Heating), Namibia (Biomass power) and Paraguay (Zero emission public transport). Lastly, our key partner on air quality, the Clean Air Fund (CAF) expanded into Africa in 2022, opening a new office in Accra, Ghana. Building on the success of the Breathe London project, which empowered citizens to use local air quality data to demand cleaner air inspire political action, CAF launched several new Breathe cities, including Breathe Sofia in Bulgaria.

Sexual and Reproductive Health and Rights

In 2022 we began to see the full extent to which the Covid pandemic and international funding shortfalls **undermined progress on SRHR, most notably on HIV prevention** – and there was fear that the US Supreme Court's decision to overturn Roe v Wade would have implications for reproductive rights globally. However, it was also a year where solidarity was demonstrated with the replenishment of the Global Fund and strong country commitments to FP2030; funds for family planning commodities were bolstered; and innovations in sexual and reproductive health (SRH) choices continued to scale alongside a commitment to equitable access.

As part of CIFF's work to **increase SRH choices**, CIFF approved funding for Phase III clinical trials for two novel contraceptives to expand choice for women who have infrequent sex and seek on-demand or non-hormonal contraception. This investment builds on CIFF's previous investment that supported research on peri-coital methods with results published by the British Medical Journal.

In partnership with the UK's Foreign, Commonwealth and Development Office (FCDO), CIFF's **'Step-Up' programme delivered major progress on the integration of comprehensive contraceptive choices** – including long-acting methods – within public-sector service delivery points across the Sahel and northern Nigeria. In Northern Nigeria, CIFF supported MSI Reproductive Choices to partner with over 600 public sector sites to support last-mile access for those living in multi-dimensional poverty.

Also in efforts to increase choice and access, CIFF continued its focus on financing for SRH commodities. The catalytic 'Challenge Fund' to UNFPA Supplies contributed to ensuring global financing for contraceptive commodities remained stable – the Challenge Fund collectively raised \$160 million. However, these gains remain fragile, with contraceptive

financing still insufficient and overly dependent on donors. To begin **catalysing greater sustainability**, CIFF partnered with others to develop 'future state' concepts that have the potential to strengthen the resilience of commodity financing and increase ownership from domestic governments, with investments planned in 2023.

CIFF continued to support **trailblazers for self-managed care in SRHR**. Over 2022, significantly more women gained access to self-injectable contraception through CIFF's flagship "Delivering Innovation in Self Care" programme and the broader Access Collaborative partnership. 2022 saw an acceleration in uptake exceeding one million self-injection visits across 14 countries. To match growth in demand over the current decade, CIFF and the Bill & Melinda Gates Foundation jointly invested in greater manufacturing capacity and supply chain resilience for injectable contraception. The World Health Organization (WHO) and the Self Care Trailblazers Group achieved significant success in advocating for national-level self-care guidelines for SRHR, with leadership from the governments of Senegal, Nigeria, and Uganda in applying these guidelines to national contexts and advancing their ambitious national strategies.

In addition, 2022 was a milestone year for CIFF's work on **HIV self-testing** that saw the total market grow to 18 million self-tests distributed per year, four million of which were delivered into the hands of users via CIFF's partnership with the Global Fund in five countries. CIFF's strategic partnership with the Global Fund was bolstered at the 7th triannual replenishment where CIFF committed \$33 million to establish a new matching fund to scale-up innovations in HIV prevention, notably pre-exposure prophylaxis.

Nutrition

Last year man-made drought, conflict and rising food prices continued to drive up levels of severe wasting in young children worldwide. In March 2022, food prices reached their highest ever recorded level, 50 million people were on the brink of starvation and 1 in 2 children lacked essential nutrition to grow and thrive.^{1,2} A CIFF-funded analysis also showed that a 5% increase in food prices increases child wasting – the deadliest form of malnutrition – by 9%.³ Against this backdrop, CIFF worked to **raise child malnutrition as a global priority**, fundraising and galvanising action for a collective response to the food and nutrition crisis.

As a result of this work, governments, philanthropies, and private donors collectively pledged \$577 million at the United Nations General Assembly side event “The Child Malnutrition Crisis: Pledging to Save Lives” co-hosted by CIFF, UNICEF, USAID, and the government of Senegal. This included a **historic commitment from USAID** of \$200 million to tackle child wasting, in part thanks to the outreach from CIFF and

our founder, Sir Christopher Hohn, as well as our philanthropic partners Eleanor Crook Foundation, CRI Foundation, and ELMA.

The CIFF-supported Child Nutrition Fund (CNF) has also gained traction in 2022 with five countries accessing the commodities match fund and several country programmes approved. In addition, a new Supplier Financing mechanism under the CNF will help stabilise the market of Lipid-based Nutritional Supplements. The mechanisms of the CNF are addressing the biggest barriers to improving children’s nutrition by bringing together complementary approaches for the commodities as well as the services needed to prevent, detect, and treat malnutrition.

¹FAO Food Price Index | World Food Situation | Food and Agriculture Organization of the United Nations

²[https://docs.wfp.org/api/documents/WFP-0000142656/download/?_ga=2.112509828.1424708801.1669905126-71626005.1660134008;https://www.thelancet.com/journals/langlo/article/PIIS2214-109X\(22\)00367-9/fulltext](https://docs.wfp.org/api/documents/WFP-0000142656/download/?_ga=2.112509828.1424708801.1669905126-71626005.1660134008;https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(22)00367-9/fulltext)

³IFPRI, December 2022, “The global food price crisis threatens to cause a global nutrition crisis: New evidence from 1.27 million young children on the effects of inflation”, available here: <https://www.ifpri.org/blog/global-food-price-crisis-threatens-cause-global-nutrition-crisis-new-evidence-127-million>

Child Protection

Cliff's global child protection initiatives are highly focused: tackling the scourge of child sexual abuse and exploitation online, and elevating the urgent and widespread need to tackle sexual violence against children with key decision makers.

A strategic initiative to draw world attention to child protection, the WeProtect Global Alliance, held its 'Turn the Tide' Summit in Brussels which saw the world's largest gathering of leaders from government (99 governments are now members), law enforcement, the tech industry, civil society organisations, academia and survivors to make fighting child sexual abuse a national and global resource and policy priority. The Summit saw the launch of a Global Task Force bringing together the European and African Unions and 17 other governments from across the world.

We also worked to keep the voice of children and survivors centre stage by supporting the newly launched Brave Movement, a global advocacy and education initiative led by survivors to end childhood sexual violence. The Brave Movement, through their EU Survivors' Committee, has provided an influential voice in the emergence of a new policy framework in the EU, where nearly two thirds of all child sexual abuse material is hosted.

Cross-cutting

International Finance

Across all our sector-specific work, from climate, to SRHR, to health, there is an urgent need to mobilise more and better financing to help the world meet the Sustainable Development Goals, as well as the 1.5°C Paris goal. In 2022, CIFF joined efforts that succeeded in building increasing global momentum on the **need to reform the global financial architecture**, a system that is both unfair and inadequate to meet the challenges of our time.

This consensus was spurred by the efforts of Prime Minister Mia Mottley of Barbados to highlight the inadequacy of the current financial system to address global, ongoing and interlinked crises. CIFF was honoured to play a crucial role in supporting the coalition of actors led by Mottley, known as the Bridgetown Initiative. The initiative drew high-level support last year from French President Emmanuel Macron who called for a New Global Financial Pact which seeks to lay the foundation for a more responsive, just and inclusive international financial system.

Evidence, Measurement and Evaluation

Evidence, Measurement and Evaluation (EME) is at the core of all our programmes. Only by investing in data and evidence can we measure the impact of what we do, learn and course-correct – without this we are guessing. EME therefore plays a vital role in improving the rigour of CIFF strategies and investments.

EME has helped CIFF make significant strides towards becoming **a more equity-focused donor**, increasing the

relevance, effectiveness, and impact of our programs. In June 2022 our Board approved the CIFF Equity Toolkit which is being rolled out across our investments. This toolkit allows us to rate our investments through an equity lens as well as in line with the gender transformative continuum.

Another key success for the EME team was the Electronic Community Health Information System (eCHIS) scale-up in Ethiopia, which transforms the health extension programme, utilizing data for robust performance management and leading to **better health outcomes for mothers, children, and adolescents**. By the end of 2023, the programme had trained 1066 Health Extension Workers, 562 supervisors and had been rolled out to 523 health posts in the first 20 woredas.

Also in 2022, in partnership with Population Council's Girl Innovation, Research, and Learning (GIRL) Center and the Danish International Development Agency (DANIDA), CIFF's EME team successfully developed the Adolescent Atlas for Action (A3). This is a suite of tools and visualisations designed to **promote evidence-based decision-making**. We launched the A3 for public use in July, providing actors such as policymakers, donors, and advocates with accessible evidence and insights on adolescent lives and needs at national and sub-national levels.

Impact Investing

Although CIFF is not currently making new impact investments, we continue to manage the open portfolio of investments. This portfolio is aligned with the Foundation's charitable objectives, to build a healthy, fair, and safe world for children, and covers sectors including carbon capture, alternative proteins, and women's health.

These investments continued to achieve impact in 2022. In the case of the Global Health Investment Fund (GHIF), the fund is estimated to have saved 47,000 lives and improved 18 million lives by investing in advancements in health technology such as drugs, vaccines and diagnostics in low- or middle-income countries. On the climate side, our investments in the Carbon Direct Fund, Clean Energy Venture Fund and Southeast Asia Clean Energy Facility (SEACEF) have reduced net Greenhouse Gas emissions. SEACEF also achieved significant success mobilising capital into early-stage renewable projects in Southeast Asia, crowding in \$27 private capital for every dollar it invested.

Big Win Philanthropy (BWP)

As of 31 December 2022, CIFF had paid eight instalments, totalling \$144 million, to Big Win Philanthropy (UK) (BWP). The specified purpose of the grant to BWP is the improvement of the lives of children, young people and families in need in developing countries or countries in crisis.

Organisational Development

Three years into its launch, CIFF's Organisational Development (OD) support is recognised as a unique value proposition by grantees and programme teams. An independent evaluation in 2022 reported that this support served as a catalyst for partners' improvement, with achievements in governance, strategy refresh, operating model, leadership transition, fundraising strategy and evidence, measurement and evaluation (EME).

In India, CIFF's OD team partnered with TERI to review and articulate their long term strategy, as well as design for a fit-for-purpose operating model and fundraising plan to deliver against the strategy. As a result, TERI has set up an Executive team to drive institutional leadership decisions and reorganised itself into six coherent programs based on expertise and alignment with external stakeholders. In Africa, CIFF OD partnered with Triggerise to support its move towards a localised structure. This will build a more locally embedded, sustainable and relevant organisation that is capable of operating at scale.

As part of CIFF's commitment to increase the organisational strength and sustainability of our grantees, in 2022 we successfully launched two cohort capacity-building programmes – for Global-South based Measurement Evaluation and Learning (MEL) service providers and research organisations, and the second for our Africa-based grantees focused on youth development and adolescent health across the continent. The aim is to address priority learning needs and build a community of practice to drive collaboration and learning among grantee partners.

Africa

The guiding vision behind our work in Africa is **a future where girls have the health, economic opportunity and agency to contribute to a thriving and self-determining Africa.**

This vision is led by our teams based in Nairobi and Addis Ababa and supported by three core pillars, (1) Girl Capital, ensuring girls have equal rights and can fulfil their potential (2) Resilient Communities, ensuring children are born healthy and can thrive in communities, with health systems that are equipped to prepare for, respond to and recover from political, economic and climate shocks; and (3) For Africa By Africa, catalysing African giving and government funding to create sustainable solutions to improve the lives of children.

Girl Capital

In 2022, the world's first Development Impact Bond for adolescent reproductive health in Kenya, In Their Hands (ITH), came to an end. Launched by CIFF in 2020, the 18-month bond delivered **362,000 user visits to Kenyan adolescent girls (148% of its target) and recorded 118,000 repeat visits (262% of its target)** helping users avert an estimated 136,000 unwanted pregnancies. Building on this success, CIFF helped establish an additional \$4.7 million outcomes fund, which will continue to support the scale of ITH and support its expansion into public sector facilities in Kenya.

Meanwhile, the A360 programme, a partnership between CIFF and BMGF and implemented by Population Services International **reached 394,500 girls with contraceptive services in 2022.** Their focus has been on adolescent girls, as this target group is particularly difficult to reach given the stigma around contraceptive use, the pressure to “prove” fertility and the focus on older users from existing services.

The RISE programme, Roadmap for Integrating Smart Start in Ethiopia, continued into its third year. RISE aims to help

married adolescent girls aged 15-19 make their own family planning choices, by developing powerful communications materials for Health Extension Workers in rural areas. The Ministry of Health in Ethiopia demonstrated its commitment to RISE through a commitment of \$4.6 million to training for HEWs up to September 2022. Thanks to this funding, a total of 26,000 HEWs were trained throughout the country.

Resilient Communities

Climate

In 2022, CIFF's partner, the Africa Climate Foundation (ACF) supported the South African Government, with technical assistance and international engagement, to develop the **Just Energy Transition Partnership (JETP)**, helping shift South Africa away from coal and towards clean energy. ACF held a knowledge workshop with key stakeholders to share lessons of JETP from South Africa as well as garner lessons from the Philippines, Senegal, Nigeria, and Indonesia as part of south-south learning. This has contributed to the JETP discourse across philanthropic organisations and governments who are leading on transitioning towards clean energy as well as placing ACF as a strong and strategic partner in the JETP process in other African countries.

CIFF supported African youth climate activists to participate in the **Sustainable Energy for All (SE4ALL) Forum in Kigali** and co-hosted a youth session on 'Just & Inclusive Energy Transition' in collaboration with the World Resources Institute and Carnegie Mellon University. 50 youth participants from across the continent participated in the session aimed at equipping them with knowledge and the complexities that revolve around energy and just transition and empowering them to engage more confidently ahead of COP27 (for more detail on COP27 see page 12).

CIFF also launched the **'Solar Skills Employer Mapping' report** highlighting the potential of the solar sector as a significant employer of youth in Africa and providing recommendations for policymakers. This was launched in collaboration with Toolkit iSkills, a Kenyan-based social enterprise that trains vulnerable youth and women and links them to employment or entrepreneurship.

NTDs

2022 marked the year of the Kigali Summit on Malaria and Neglected Tropical Diseases (NTDs), culminating in the **Kigali Declaration on NTDs**. This declaration reiterates the commitment of signatories to WHO's 2021–30 roadmap for NTDs and the target within SDG 3 to end NTD epidemics. CIFF was proud to be one of the signatories, recommitting to NTDs with our pledge to invest \$60 million over the next 5 years. The summit cumulatively raised \$4 billion towards the fight against malaria and NTDs, including \$2.2 billion from countries affected by the diseases.

CIFF has been partnering with the Carter Centre since 2012 on the eradication of *Dracunculus medinensis*, the parasite that causes **Guinea-worm** disease. In December 2022 the World Health Organization (WHO) certified The Democratic Republic of the Congo (DRC) as **transmission free** of this debilitating disease. This marks the sixth country declared free in the period that CIFF has been working with the Carter Centre (alongside Cote d'Ivoire, Ghana, Kenya, Niger, and Nigeria). To help get further towards full eradication, CIFF is extending its support to The Carter Center through 2025.

In partnership with Operation Sight, CIFF continued to support **thousands of sight-saving trachoma surgeries**. In Ethiopia, a total of 64,381 sight-saving surgeries were performed in 2022 and 903 Integrated Eye Care Workers (IECWs) received basic and refresher training to provide trachoma surgical services in districts with the highest burden.

In total, CIFF supported the delivery of over **58 million treatments against NTDs** in seven African countries across its various investments.

WASH

CIFF's Water4Life investment, in partnership with World Vision, APCON and the Government of Ethiopia, officially commenced in 2022 in the presence of government higher

officials and leaderships of CIFF, grantees and partners. This investment covers 5 components including water supply, sanitation and hygiene, as well as solar electrification.

CIFF's **KIDS** investment aims to provide clean water to 36,222 people, 51 schools and 11 healthcare facilities in Kibera, Kenya. By the end of 2022 4 out of 5 boreholes were drilled with 2 already operational; 25 water kiosks became operational providing water to 10,000 people and 4 boreholes were donated by the county government. Together with the Ministry of Education and Ministry of Health in Ethiopia, Behaviour Change Communication materials for communities and schools were developed to ensure that the infrastructure elements of the project are as impactful as possible.

Child Health

The Healthy Mothers, Healthy Babies - Multiple Micronutrient Supplementation (MMS) programme in Ethiopia programme is designed to demonstrate implementation models for transitioning from Iron and Folic Acid Supplementation (IFAS) to MMS within the public sector antenatal care programmes (the first programme of its kind globally) and support the Federal Ministry of Health to develop a scale-up plan. Despite initial delays, **MMS has been successfully distributed to all health facilities** in the 21 rural intervention districts (replacing IFAS) during the last quarter of 2022 and service delivery to women visiting ANC clinics was initiated, with close to 10,000 pregnant women receiving MMS by the end of the year.

Also in our child health portfolio, our programme partner, Living Goods, underwent a Randomised Control Trial (RCT) in 2022, on their community health worker programme in Uganda – and the results showed an **impressive reduction in infant and child mortality**. The trial demonstrated a 28% reduction in under five mortality and a 27% reduction in infant mortality.

2022 also saw the impact evaluation for the Enhancing Nutrition and Antenatal Infection Treatment programme, a proof-of-concept implemented by Jhpiego and the Ethiopian Ministry of Health from August 2018 to March 2022. The evaluation has demonstrated **a 35% reduction in the prevalence of low birth weight** in districts compared to the control districts as well as a significantly higher mean difference in birth weight (108 grams between districts in the programme compared with those not).

India

In 2022, we took a moment to reflect on our work in India spanning over the last decade. We conducted a strategic review, engaging with our partners to identify where we add the most value. As a trusted partner to institutions in India working to address the challenges facing children, we take pride in being an evidence-generating and catalytic funder. Through our conversations, we discovered that creating large-scale, sustainable impact in India requires the establishment of deep local proof points. This helps build momentum across states, catalysing knowledge, financing, intent, and policy support, eventually leading to a tipping point for change. This, in turn, presents the opportunity for significant national and global impact. Our partners in India value our approach, emphasizing our evidence-driven methodology, strong local team, and long-term, systemic approach as "high-quality, in-depth, and effective."

Child Health

During the year we leveraged our learnings and saw many of our proof-of-concept programmes in our child health portfolio, which were co-created with partners and supportive of government initiatives, further scaled by the Government. Rajpusth, a programme that enables cash transfers and focuses on behaviour change communication to pregnant women for better nutrition outcomes in five districts of Rajasthan, is being further scaled across the entire state (33 districts) with an annual commitment of \$28 million. It will now reach 350,000 women per year.

Similarly, the Community Prevention of Acute Malnutrition (CPAM) programme, which provides Participatory Learning Action (PLA) meetings and Home Visits in order to prevent malnutrition in children, was agreed to be further scaled. This initiative was initially implemented in six districts of Jharkhand and in 2022, the Government of Jharkhand committed to

scale it to 15 districts, making an annual commitment of \$5.38 million.

Girl Capital

Our Girl Capital portfolio in India also saw significant scaling thanks to government partnerships. Mission Buniyaad, a digital education programme led by the Government of Rajasthan, helped improve learning outcomes (by 10%) and pass percentage (by 3%) amongst ~20,000 girls in secondary government schools through a pilot using personalised adaptive digital learning; the government is now scaling it across the state and aiming to reach one million girls.

One of our most innovative partnerships in India, is the Skills Impact Bond, the world's largest impact bond focused on skilling and the first of its kind. CIFF is an outcome funder, collaborating closely with the Government of India through the National Skill Development Corporation (NSDC). In 2022 the collaborative released its first set of very encouraging results for its first cohort. More than 2100 girls and young women were placed in employment, with a transition rate of 66% from enrolment to placement.

Climate

Our commitment and partnership with the Government of Rajasthan has shown us the impact of deep state-level partnerships can have, as seen particularly through our work in India on climate (although also applies to our work in other areas). In 2022 we signed partnerships with the central and state governments, as well as government agencies. This included a letter of Intent with the Department of Environment, Forest and Climate Change, Government of Uttar Pradesh to help develop and deliver climate actions in India's largest and most populous state. Under this agreement,

CIFF's support will enhance the institutional capacity of the Uttar Pradesh Climate Change Authority (UPCCA) by setting up a Project Management Unit (PMU) and a panel of sectoral technical partners which will guide the state towards accelerating sectoral climate actions.

Also in our climate portfolio, our partners are assisting the Governments of Delhi and Maharashtra with the drafting and implementing the states' electric vehicle (EV) policy. This has led to a significant increase in EV sales with our partner in Pune seeing a double-digit growth in electric vehicles (10% of all new vehicles being sold are EVs). Pune won the 'Cleaning the Air We Breathe' award at the 2022 C40 Cities Awards in recognition of its exceptional leadership in tackling the challenge of air pollution, recognising its rapid electric bus deployment.

SRHR

In our work on SRHR, we developed a new strategy with a goal to catalyse India's shift from control to choices and to make family planning empowering for 10 million girls and women. We have supported the Government of India in working towards their FP2030 commitments, and have worked with the World Health Organization India to establish a Technical Support Unit (SAMARTH) for the Ministry of Health and Family Welfare. This will provide high-level support for the introduction of new contraceptives and expanding access to SRH services in India. Aiming to address some critical systemic issues in India's FP program and building upon our experience of supporting the introduction of DMPA-IM in Rajasthan, we have initiated 'India Choices', an investment that aims to shift India's contraceptive method mix towards reversible and user controlled methods across five states.

Child Protection

Our work in Child Protection in 2022 includes another key example of CIFF's commitment to partnership. During the year CIFF signed a letter of engagement with Delhi Government's Commission for Protection of Child Rights to prevent and address child labour and missing children in Delhi.

As well as this, in 2022 CIFF's flagship programme for child protection in India, KAWACH was launched, a 10 year \$50 million partnership with British Asian Trust. This programme works closely with government, business, community, and children to integrate approaches to prevent and protect children from all forms of harm and exploitation.

East & South-East Asia

CIFF's work in East and Southeast Asia is underpinned by the vision of **supporting the region's low-carbon development with systemic solutions**. This is built upon a decade of close collaboration with international and local partners in tackling climate and environmental challenges of the region, with a particular focus on China led from our office in Beijing. 2022 saw significant energy transition pivots across several countries in both public and private sectors, strengthened by international dialogues within and beyond the region.

In 2022 **wind and solar** continued to drive China's energy decarbonisation, with CIFF partners like Energy Research Institute (ERI) providing technical assistance and policy recommendations for accelerating the country's energy transition. China continued to be a global leader in wind and solar power, with capacity installation of over 125GW. Wind and solar are also becoming more competitive in the post-subsidy era, and for the first time, they contribute to more than half of China's incremental power generation.

China's first-ever comprehensive climate blueprint was strengthened in 2022 as over a dozen provinces and key emitting sectors released their carbon peaking and neutrality implementation plans. Our partners like Energy Foundation China (EFC) and China Association of Building Energy Efficiency (CABEE) provided support for Chinese localities in **establishing their low carbon transition pathways** and helped the transport and building sectors to explore effective climate solutions that match the national targets.

In 2022 CIFF also partnered with the Climate Investment and Finance Association (CIFA) to provide technical support on drafting **Greenhouse Gas Accounting Guidance for Financial Institutions**, developing climate-friendly projects for banks to support sub-national transitions, and enhancing capacity of regulators and practitioners on climate financing etc. Internationally, our partner Beijing Institute of Finance and Sustainability (BIFS) supported the China cochair of the G20 Sustainable Finance Working Group to lead the G20 agenda, and further facilitated global green investments through the

Green Investment Principle for BRI (GIP).

In our work in the broader region in 2022, the **Indonesia Just Energy Transition Partnership (JETP) deal was announced during the G20 leaders' summit**, with the country committing to expediting full coal exit in seven years and reach net zero ten years earlier in 2050. 2022 also saw the **Vietnam JETP deal announced during EU-ASEAN Summit**, with the country committing to bringing forward all greenhouse gas emissions peaking from 2035 to 2030 and reducing annual power sector emissions up to 30 percent from 240 megatons to 170 megatons. For both of these milestone commitments, CIFF partnered with Energy Transition Partnership (ETP) and other organisations to provide input and advice to support the national ambition, financial implementation of early-coal retirement, and coal abatement scenario analysis.

In 2022 the Indonesian Government also passed legislation which signalled a **significant transition to greener energy**. The regulation on Accelerated Development of Renewable Energy for Electricity Supply maps out Indonesia's energy transition commitments that no new coal-fired power plants are to be built, some coal plants will be retired early, and investment in renewables will be boosted. CIFF's local partners like Institute for Essential Services Reform (IESR) have been leading the policy recommendations in Indonesia to accelerate renewable energy development and energy transition.

In South Korea our partners continued to help **enshrine energy transition targets and policies** with the government, while mobilising corporate voices in support for change. As of December 2022, 28 major Korean corporations, including Samsung Electronics and Hyundai Motor Group Affiliates, have joined RE100 with ambitious commitments to achieve carbon neutrality in their Southeast regional supply chains. These progressive conglomerates, in alliance with local partners such as Solutions For Our Climate (SFOC) are recommending higher renewable targets, streamlining renewable project siting and permitting rules, and ensuring fair compensation and grid access to renewables.

Europe

CIFF has a long-standing presence and portfolio in Europe focused on accelerating a **just and equitable transition to net zero**. This includes shaping Europe's role in confronting and responding to major global crises. Our work in 2022 was deeply impacted by Russia's invasion of Ukraine and the impact this had on the continent, including on energy policies and prices, food and nutrition, and overseas development assistance.

Through our strategic partners, including the European Climate Foundation (ECF), E3G, the Bellona Foundation, and Our Common Home, we worked throughout the year to secure and sustain political will for climate action across Europe as a means to achieving a more **prosperous, secure and safe environment for all**.

The war in Ukraine focused attention on the need to rapidly **reduce Europe's reliance on fossil fuels**, with CIFF partners helping to identify the solutions and secure the policies to enable ambitious delivery. Through technical assistance, strategic communications and policy advocacy, ECF and its partners helped to create a policy and regulatory environment that is conducive to investment in renewables and energy efficiency.

Propelled by new and improved EU targets for emission reduction as well as the phasing out of internal combustion engines and investments into crucial technologies, 2022 saw **the rate of renewable energy deployment increase** by around 60% in Spain and 50% in Germany. For the first time, wind and solar (combined 22.3%) overtook natural gas (19.9%) and nuclear (21.9%) in terms of the amount of electricity produced across the EU.

The war in Ukraine also created new **challenges for the agricultural sectors**, with the disruption of fertilizer and grain exports from Russia and Ukraine creating additional pressures on already-exacerbated food systems and value chains. CIFF demonstrated its speed and adaptability in commissioning rapid analysis from a range of partners, including Chatham House, which enabled governments and civil society to quickly understand the economic and geopolitical shocks and propose policy solutions across a broad range of sectors and geographies. We also used this analysis as the basis for a landmark investment in EU land use and food systems reform designed to secure long-term structural shifts in the flagship EU subsidy regime, the Common Agricultural Policy (CAP); the results of which we hope to see materialise over the next 5 years. In 2022, the EU also reached a provisional agreement to strengthen the contribution of land use into their 2030 climate ambitions.

Europe's **pathway towards industrial decarbonisation** was also heavily impacted by the US' Inflation Reduction Act (IRA). Despite the economic and energy crisis, positive steps were made via the reform of the European Emissions Trading System (ETS), the introduction of the Carbon Border Adjustment Mechanism (CBAM), and Germany's major progress on Carbon Contracts for Difference (CCfDs). These results have been major priorities of CIFF, with our partners, Agora, ECF, and Bellona, playing a key role.

Latin America

Latin America is home to leading and growing middle income countries, as well as critical ecosystems such as the Amazon basin. Our investments in the region are concentrated on two regional foundations, the Institute for Climate and Society (ICS) in Brazil, and Iniciativa Climática de México (ICM) in Mexico. Both foundations achieved major success in 2022.

In Brazil, our regrantee partner ICS drove an innovative strategy to make **the protection of the Amazon a national priority** in the run-up to the presidential election. Previous elections have seen scarce reference to deforestation or climate as it has not been a voter priority. With funding support from ClIFF and six others, ICS worked with over 50 local grantees to implement a targeted engagement strategy and national **“Amazon Mother of Brazil”** campaign that reached a quarter of the Brazilian population. Research showed that following the campaign 83% of voters believed the protection of the Amazon should be a presidential priority. Moreover, three of the four main Presidential candidates stood on an anti-deforestation platform. When Ex-President Lula was re-elected at the end of October 2022, protection of the Amazon was at the heart of his plans. ICS’ approach was ground-breaking, showcasing what can be achieved via relevant and locally led campaigning at election time.

In Mexico, ICM also pushed for **enhanced climate commitments and action**. It compiled and launched a major technical report which served as a proposal from civil society to increase climate ambition in Mexico, with a focus on climate justice. Just days after the report was launched, Mexico released its new updated nationally determined contribution under the Paris Agreement, in which the country **increased its unconditional greenhouse gas emissions reduction target to 35%** by 2030, relative to a business-as-usual scenario.

Strategic Report

Strategic Report

Section 172(1) Statement

In preparing the Strategic Report, the Board of Trustees have considered their duty to promote the success of the Foundation under section 172(1) of the Companies Act as interpreted in accordance with section 172(2) given the Foundation's charitable objectives. As such, the Board confirms that in its decision-making, it considers:

- Long-term consequences
- The interests of employees (its own and those of grantees)
- The public benefit of the Foundation's work
- Impacts on the community and the environment
- Maintaining a reputation for high standards of conduct
- The need to foster relationships with suppliers and grantees

Engagement with the Foundation's stakeholders is integral to developing and executing on the strategy to achieve its charitable objectives. The voices of its beneficiaries, grantees, partners and employees are not only heard but promoted to increase the effectiveness of its work for the public benefit. These voices form part of the Foundation's commitment to continual learning and development, in the context of specific charitable programme objectives but also in terms of how the Foundation operates and its aim to address matters such as diversity, equity and inclusion in all its work.

In making decisions about the Foundation's charitable work, the Trustees consider many factors and most importantly, in relation to its grant-making activities, the opinions and advice of independent experts appointed to its Investment Committees (as described further below). Grant-making activity is also informed through regular engagement with grantees, including through a grantee survey which enables grantees to provide valuable input regarding the Foundation's programmes. Grantees are also encouraged at all times to raise issues or concerns and these are relayed to the Trustees (and other advisors) through regular portfolio review meetings.

During the year, the Foundation's Investment Committees and Board continued to make decisions to support the Foundation's long-term charitable strategy and objectives. Whilst the impacts of Covid-19 and the UK Government's reduction to its overseas development aid budget continue to be relevant in their decisions, during 2022, the Foundation also had to diligently and proportionally consider and manage inflation's effects on its programmes. This was achieved through the Investment Committees and the Board being provided with regular updates of real-time information and expert advice, engaging stakeholders where relevant, to understand the financial implications for the Foundation and its endowment as well as the impacts on beneficiaries of the Foundation's programmes and its grantees' operations. In this challenging environment the Foundation is happy to have increased its charitable grant disbursements in 2022 to US\$530 million (2021: US\$468 million).

In addition, in 2022, the Foundation is grateful TCI Fund Management Limited have agreed to donate US\$160 million, to be paid to the Foundation over the course of 2023. The donation is intended to assist the Foundation in furthering its charitable purposes and will accordingly supplement the Foundation's endowment in providing further resources for its programmes.

The Trustees also regularly rely on the advice of external charity lawyers regarding regulatory and other matters related to the management and operation of the Foundation. This advice is received from experts that are able to advise on modes of governance, operations and transactions in a manner that reflects regulatory requirements, Charity Commission guidance and general best practice. Appropriate legal and other technical advice is obtained from local experts in relation to the Foundation's overseas operations and programmes. This advice, as well as advice from the General Counsel, is relied upon by the Board in making decisions that ensure the Foundation's reputation for high standards of conduct are maintained. The Foundation's General Counsel and Head of Compliance provide the Board with updates on any incidents that take place in the context of the Foundation's work at every Board meeting. Legal and Compliance are also integrally involved in all programmes that the Foundation develops and implements.

The Foundation is actively engaged with its staff and a detailed description of that engagement is set out on page 27. The Board and the Remuneration Committee receive information regarding the Foundation's employees, mainly based on information obtained from employee surveys conducted throughout the organisation. This information serves as a backdrop to the Board's decision-making and covers matters such as work-life balance, remuneration, job satisfaction and culture.

The Foundation, like many organisations, continues to undertake a learning journey in relation to diversity, equity and inclusion and anti-racism. This journey has been informed by a number of stakeholders, from employees to grantees and beneficiaries. All employees have received information and training on these issues both internally and through third party experts and advisors.

Covid-19

Covid-19 has significantly changed the way we work with the majority of the Foundation continuing to work from home for the past year. Our focus has been maintaining the health and wellbeing of staff, grantees and partners while making every effort to continue to deliver our charitable objective of improving children's lives.

Social Impact of CIFF's Operations

At the heart of CIFF's People Strategy is the overarching aspiration to "build world-class talent and capability to transform the lives of children, and provide an environment where all members of the CIFF Family can be at their best and realise their full potential."

Strengthening our HR foundations

A key driver during 2022 in delivering on our strategy and overarching aspiration has been strengthening the HR foundations laid in 2021. This has included the successful embedding of our HR structure, including localised HR Business Partners in our India and Africa offices and a more strategic approach to workforce planning to enable delivery of the right people in the right place at the right time. The introduction of a new suite of HR systems across the HR lifecycle has led to automation of tasks and greater efficiencies for both the HR team and CIFF staff. The extensive review of our approach to Reward which started in 2021, and included a new Reward strategy, career framework, refreshed salary scales and a central bank of job descriptions was rolled out. And the development of a coaching mindset also continued, with over 120 members of staff completing the Coaching Skills programme by the end of the year.

Listening to our people

Significant progress was made in 2022 on building an open and inclusive culture across CIFF, with a continued focus on psychological safety and creating an environment where staff feel empowered to raise ideas, concerns, and observations. The newly formed Employee Forum met bi-monthly to discuss CIFF wide issues and initiatives impacting the business, and provide valuable insights to the Executive Team. Wellbeing remained a key priority, with a range of new initiatives introduced to support CIFF staff, including a new global online Employee Assistance Programme, No Meeting Fridays and Coffee Roulette. And a confidential new engagement survey, 'Your Say', externally administered by Willis Tower Watson, was introduced with results showing particularly positive results in Wellbeing, People Management and DEI, where the Foundation is on a par with companies in WTW's global high performance norm.

Ensuring a great place to work

2022 saw the continued embedding of our hybrid approach to working, which is welcomed by staff, and the opening of a new office in Delhi which has been awarded LEED Gold certification. Supported by the Employee Forum, a Code of Respect was created to complement CIFF Leadership Behaviours and clarify expectations around the 'how' as well as the 'what' of the way we work on a day-to-day basis, both with each other and with our external Partners, to ensure a great place to work.

A continued focus on Diversity, Equity and Inclusion

And Diversity Equity and Inclusion remains at the heart of the work we do across the Foundation, with our focus on ensuring a DEI lens across all stages of our HR processes and practices continuing during 2022, along with the Executive Team and All Staff Anti-Racism and DEI Learning Journeys which following a review with staff has now entered a second phase.

Reducing the environmental impact of our operations

We are committed to reducing our carbon footprint in line with best practice guidance and regulation. As part of our grant-making activities, we provide philanthropic support to the Science-Based Targets Initiative (SBTI) and the Voluntary Carbon Markets Integrity Initiative (VCMI), both of which are set up to provide authoritative guidance to companies and other organisations on how to address their climate impact. We similarly provide philanthropic support to the Integrity Council for Voluntary Carbon Markets (ICVCM), which provides authoritative guidance on the quality of carbon credits. VCMI, ICVCM and SBTI's Beyond Value Chain Mitigation initiative are all set to publish their final guidance later this year.

For the purposes of this year's annual report, we have adopted best practice measures from the array of guidance that already exists. We continue to: a) independently measure our emissions, b) take action to reduce our operational carbon footprint, and c) purchase carbon credits as contribution to a global net zero goal. In purchasing these credits, we do not make any "carbon neutral" claim or similar that might imply a net reduction in our carbon footprint. We also recognise wider consideration of the Foundation's value chain is required to fully assess the environmental impact. Given a significant portion of our value chain's environmental impact is the financed emissions associated with our endowment investment portfolio, we are continuing to report on emissions in relation to our public equity positions.

While we have taken many steps to reduce our emissions, one gap is the development of a comprehensive Climate Transition Plan. In advance of our 2024 annual report we will publish a Climate Transition Plan, adopting best practice guidance. The plan will be made public and will be fully integrated into the CIFF business plan.

Operational emissions

Independent Measurement

CIFF has appointed Carbon Footprint Ltd to independently assess its Greenhouse Gas (GHG) emissions for our buildings and operations in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

We have been assessing our carbon emissions with the support of Carbon Footprint since 2019, including backdated estimates to aid the purchase of carbon credits back to July 2016. CIFF previously chose to calculate our emissions using a reporting year that differs from our Annual Report (1st July 2019 to 30th June), however have aligned the two periods during 2021. The table below summarises the GHG emissions of our buildings and operations for reporting year 2022 together with prior period actuals.

Activity	January 2022 to December 22 (12 months)	July 20 to December 21 (18 months)
Total energy consumed (kWh)	130,313	174,679
Total Gross Location-Based Emissions (tCO ₂ e)	1,928	325

Reductions

Since the last reporting cycle we have taken a number of steps to reduce our emissions. This includes:

- Buildings – our new office in Delhi has achieved a LEED Gold rating. LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world. Available for virtually all building types, it provides a framework for healthy, efficient, and cost-saving green buildings and spaces. LEED certification is a globally recognized symbol of sustainability achievement and leadership.

- Travel – overseas travel (flights) are our largest source of greenhouse gas emissions. This has increased as the world began to emerge from the COVID-19 pandemic, however continues to be less than pre COVID-19 in absolute and per capita terms. We are taking steps to reduce the associated emissions, for example, we encourage the use of virtual meetings and alternative lower carbon forms of transport wherever possible. Where flights are necessary, we aim to combine several meetings and events to reduce the total number of flights. Notwithstanding our plan to develop a complete Climate Transition Plan, we intend to adopt targets to reduce travel from this year consistent with halving global emissions by 2030.

Contribution

We continue to purchase high-quality carbon credits. The volume of carbon credits purchased is calculated by adding our buildings and operations emissions for the past year, plus the estimated emissions for the coming year, plus 8% as a buffer. In purchasing these credits, we do not make a “carbon neutrality” claim or any claim that signifies a reduction in our carbon footprint. For now, these credits are purchased as a financial contribution towards high-quality development, in support of market-based mechanism for sectoral emission management and breakthrough technologies that are all contributors towards a global net zero goal. In future, we intend to align any claims with VCMI’s soon-to-be-published Claims Code as part of our Climate Transition Plan.

Carbon emissions for CIFF buildings and operations have been calculated for the period from July 2016 to December 2022 and estimated for 2023, totalling 12,762 tCO₂e. In addition to 11,520 tCO₂e of carbon credits purchased in 2019, during 2023 CIFF purchased 2,800 tCO₂e of high quality carbon credits.

In the future, we intend to align future purchases of voluntary credits with the ICVCM’s Core Carbon Principles, which are due to be published later this year. This year, we have purchased a mixed portfolio of credits. This portfolio reflects our view that voluntary carbon markets can provide a valuable source of finance for nature, local communities and permanent removals. It also reflects our view that regulated markets have a critical role to play in ensuring the integrity of carbon markets.

Given these considerations, we have chosen to purchase credits from a CORSIA-eligible biogas project in India that will provide co-benefits to the community along with emissions reductions, an afforestation project using native species in Costa Rica, emissions allowances from the EU Emissions Trading System (EU ETS), and high-quality direct air capture removals. VCMI’s Provisional Code of Practice sets out transparency requirements for all buyers of carbon credits. We follow this guidance in disclosing the following for our most recent purchase of credits:

Volume of credits purchased	600	800	1300	100
Certification standard name	Gold Standard	Gold Standard	EU ETS Allowances	Climeworks
Project Name	Domestic Biogas Project for Rural Households in India	Bauminvest Reforestation Project	n/a - purchased via Carbon Footprint'	Climeworks – Direct Air Capture removals
Project ID	GS6275	GS2913	n/a	n/a
Issuing Registry for credits used	Gold Standard	Gold Standard	EU ETS Union Registry	n/a
Host country	India	Costa Rica	n/a	Switzerland
Credit vintage	2019	2014	n/a	2023
Methodology/project type	AMS-I.E. Switch from Non-Renewable Biomass for Thermal Applications by the User	Afforestation/Reforestation GHG Emissions Reduction & Sequestration Methodology	n/a	Climeworks/DNV removals methodology (pending certification)
Whether or not the carbon credit is associated with corresponding adjustments (as evidenced by authorization and authorized use) by the host and/or buyer country	No – we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.	No – we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.	n/a	No – we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.

Investment portfolio

CIFF has an investment portfolio of \$5 billion that finances our charitable expenditure. CIFF's endowment is subject to restrictions to ensure we remain invested in companies that are aligned to CIFF's ethical values. Find out more about our Investment Policy on page 42.

CIFF is committed to working with our investment manager to actively engage companies we invest in to mitigate climate change and support the transition. We are supportive of the work our investment manager has completed to date, such as seeking greater disclosure of greenhouse gas emissions, encouraging the implementation of climate transition plans and in some instances filing shareholder resolutions.

The outcome of our investment manager's engagement, which we value as a key enabler to reducing climate change, is not depicted by the reporting of our financed investment emissions, however following best practice guidance we continue to disclose financed emissions below.

The investment portfolio is actively managed to deliver real-world emission reductions. While our current financed investment emissions are reflective of the sectors in which these investments sit, our investment manager actively engages all holdings to disclose and implement climate transition plans (aligned with credible science-based benchmarks where available). CIFF will continue to support the development of sectoral benchmarks across all sectors of the economy and independent assessments of plans and performance through our grant-making to strategic partners, such as CDP and ClimateArc. This will further enable our investment manager to accelerate emissions reductions by incorporating such assessments into the active management of our portfolio.

The CIFF investment portfolio is made up of public equities (2022: 77% of investments, 2021: 70%) together with unlisted debt, equity and fund investments. The availability and accuracy of emissions data for unlisted investments are limited, therefore the reporting only includes public listed equities. During 2023 we will continue to investigate approaches to capture emissions for the remainder of the investment portfolio with the aim of continuing to enhance our emissions reporting annually.

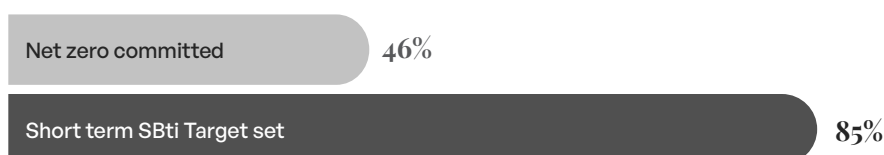
For our public equities, we recorded a scope 1 and 2 emission footprint of 63,664 tCO₂e as at 31 December 2022 (2021: 69,097 tCO₂e) which is significantly below the emissions of the MSCI World Index benchmark for a portfolio of the same size at 347,310 tCO₂e (2021: 371,840 tCO₂e). The emission footprint calculation is based on guidance set out by the Partnership of Carbon Accounting Financials (PCAF)¹ and emissions data collected directly from company financial statements for reporting period 31 December 2022 or where the reporting period is not aligned, the closest reporting to 31 December 2022 that is available.

Public equities Carbon Footprint (tCO₂e) as at 31 December 2022



In addition to emissions, CIFF track the percentage of the portfolio with emissions reduction targets, that have been approved by the Science-based Targets Initiative (SBTi). During 2023, we will also track performance against core elements of a climate transition plan across the portfolio where data is available.

% of investments with Climate Targets as at 31 December 2022



¹ The methodology used to calculate the CIFF share of company's emissions follows the guidance produced by the Partnership of Carbon Accounting Financials (<https://carbonaccountingfinancials.com/>)

We are supportive of our investment manager's ESG policy (more details available at <https://www.tcifund.com/ESG>), including their approach to assessing climate risk and active engagement with companies in the publicly traded equities portfolio. This includes seeking full disclosure of greenhouse gas emissions, ensuring companies develop and implement science based 5-year climate transition plans and in some instances, where necessary, filing shareholder resolutions and voting against directors as a tool to hold boards accountable where plans and performance is inadequate. The management of the CIFF portfolio prioritises active stewardship (including engagement and escalation where necessary) over divestment to facilitate actual emissions reductions across the real-economy, however the investment manager will evaluate divestment as an option where a company in the portfolio refuses to disclose emissions or develop and implement a credible climate transition plan to reduce their emissions.

Financial Review

Five-year summary of income and expenditure

Summary of income and expenditure					
	2018	2019	2020	2021	2022
	US\$m	US\$m	US\$m	US\$m	US\$m
Incoming resources	82	106	97	29	72
Net Investment gains/(losses)	131	1,013	431	695	(487)
Foreign exchange	(3)	2	(1)	(0)	(1)
Total incoming resources including recognised gains and (losses)	211	1,121	527	724	(416)
Investment management costs	34	98	14	19	15
Charitable activities	247	289	369	828	491
Total resources expended	281	387	383	848	506
Net movement in funds	(70)	734	144	(124)	(922)

Summary of assets and liabilities					
	2018	2019	2020	2021	2022
	US\$m	US\$m	US\$m	US\$m	US\$m
Investments	5,342	5,484	5,973	5,909	5,119
Current assets	307	650	232	454	189
Total liabilities	(521)	(272)	(200)	(481)	(359)
Total assets less Total liabilities	5,128	5,862	6,005	5,881	4,949

Summary of financial and operational information					
	2018	2019	2020	2021	2022
Grant disbursements (m)	232	269	344	468	530
5-Year disbursement ratio*	4.8%	5.2%	4.8%	5.4%	6.6%
Average headcount (FTE)	95	115	132	167	195
Operating expense as a % of disbursements**	12.1%	11.8%	9.1%	8.3%	7.8%

* The 5-year disbursement ratio is defined as the average spend divided by the average assets over a 5-year rolling period.

** For this ratio, operating costs do not include the exceptional expenses included in 2018, 2019, 2020, 2021 and 2022.

Charitable activities

The Foundation committed US\$491 million to charitable activities (2021:US\$829 million), which consisted of US\$445 million of charitable grant commitments (2021:US\$783 million), US\$5 million of activities undertaken directly (2021:US\$3 million) and US\$41 million of operating cost (2021: \$43 million).

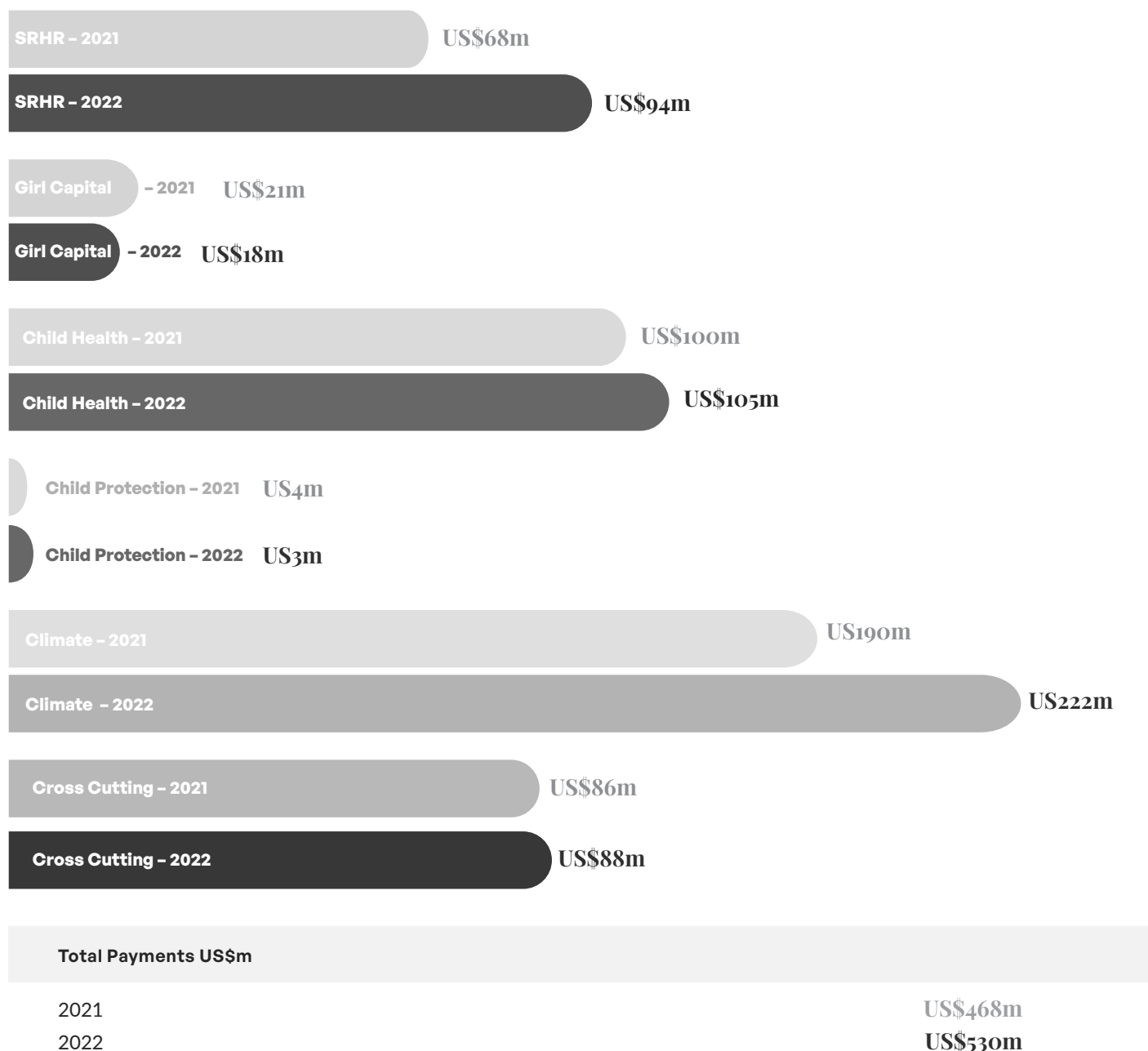
Activities undertaken directly (DCA)

The direct expenditure of US\$5 million (2021:US\$3 million) on charitable activities was mainly to further CIFF's mission by convening conferences and events, providing technical assistance and training to grantees and other charitable organisations, and publishing and disseminating research findings.

Grant Disbursements

The Foundation made US\$530 million of charitable grant payments in 2022, which is the fifth successive year of increased disbursements and represents a 13% increase on the prior year (2021: US\$468 million). The chart below shows the grant payments made in 2022.

Charitable Grant Payments by Sector (USD\$m)



Investment Review

Investment strategy

The Trustees have developed an investment strategy which provides for investing in a diverse portfolio of financial investments with a long-term investment horizon. The Foundation’s investment objective is to:

- seek an inflation-adjusted return of at least 6% per annum over a 10-year rolling period;
- manage its investment portfolio to ensure appropriate liquidity and risk controls while also permitting illiquid investments with the potential for a high return; and
- diversify its investments across a range of asset classes and industry sectors.

It is the intention of the board to maintain the endowment for the long term while continuing to fund CIFF’s work.

Asset growth

Since inception, the Foundation has received voluntary income, donations and donations-in-kind of over US\$2.4 billion. Over the last 10 years, the Foundation’s net assets have grown through investment to US\$5.0 billion as at 31 December 2022 (2021:US\$5.9 billion), after charitable activities, governance costs and investment management costs of over US\$4.0 billion (2021:US\$3.5 billion).

Investment returns

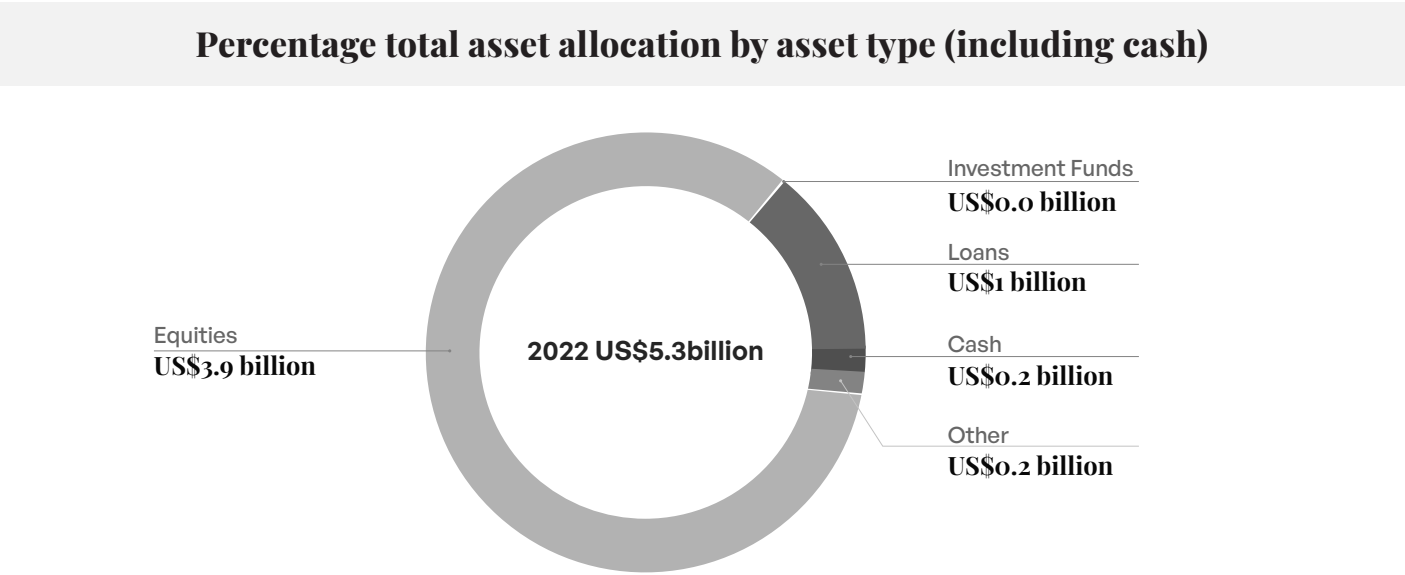
Total incoming resources were US\$72 million (2021: US\$29 million), consisting of dividends and interest received from the Group’s equity and fixed income investment portfolio together with donations. Investment losses in the year were US\$487 million (2021: gain of \$695 million). The combined net investment return for the financial year ended 31 December 2022 was (7)% (2021: 12%), reflecting continued strong investment performance, with a cumulative performance of 433% since April 2009, equivalent to 13% per annum return (net of fees).

Investment management costs

Investment management costs in 2022 were US\$15 million (2021: US\$19 million), which mainly related to managing subsidiaries holding endowment investments including brokerage and charges intermediary fees accrued to a third-party real estate advisor (see note 26 for further details of service providers). No fees are charged by TCI Fund Management Limited in relation to management of the endowment assets.

Asset allocation

The investment manager, TCI Fund Management Limited (TCI FM), invests the Foundation’s assets in different classes and sectors within the parameters set by the Foundation’s investment management restrictions, adopted by the Trustees. The Foundation and its subsidiaries (the “CIFF Group”) operate a diversified portfolio, invested in a number of different types of financial instruments across a wide range of sectors (with certain limitations – see investment policy on page 35). The allocation by asset type is set out in the chart below.



Risk Management and Key Policies

Risk Management

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. The principal manageable risks to the organisation identified by the Trustees during the year are those related to safeguarding of beneficiaries and staff of grantees and exposure to cyber-attacks and fraud. The Trustees also identified the regulatory environment regarding the receipt of foreign charitable funds in India as a risk to the success of some of the Foundation's programmes and operations in India.

The Trustees are satisfied that sub-committees, systems, controls and policies are in place to mitigate and manage exposure to risks identified by the Trustees through the process described below. They continue to review current processes, recognising that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The management of major risks is carried out in accordance with guidance by the Charity Commission. The Foundation has established organisational risk working groups that review, identify and manage risks through the Foundation. The risk working groups are in each case comprised of relevant staff from throughout the Foundation and, following a streamlining process during the year to reflect organisational structure, cover the following areas: Operations, Partners, People and Political and Reputational. These groups meet semi-annually (in some cases attended by external advisers, such as external legal counsel) to discuss the risks faced by the Foundation and mitigating actions. The groups each prepare reports that assign ratings to the risks identified based on the likelihood and impact of the risk, which is then adjusted for relevant mitigants. The final reports from the risk working groups are moderated by the Executive Team before being presented to the Board for review and adoption, also on a semi-annual basis.

The Foundation maintains a comprehensive set of compliance policies that are intended to address many of the risks it faces. These include policies regarding safeguarding, bribery, corruption and fraud and use of IT. During the year, the Foundation updated its Modern Slavery Statement on its website, which reflects its internal process for assessing modern slavery risks in its work. The statement was published on a voluntary basis despite advice that the Foundation was not formally required to publish such a statement under the Modern Slavery Act 2015. Publication of the Modern Slavery Statement reflects the Foundation's commitment to ensuring modern slavery does not occur in its own supply chains or its charitable work. The Foundation will seek to continue to review, provide training and monitor compliance issues within the Foundation and its programmes. Its compliance policies and processes are reviewed on a regular basis to ensure they reflect best practice and staff are provided regular training, including in induction but also at regular intervals thereafter.

Investment Risk Management

Investment Policy

The Foundation implements its Investment Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including Charity Commission guidance "Charities and Investment Matters" ("CC14")) through direct and indirect investments, including via investment subsidiaries.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Foundation's investments. The Finance, Audit and Investments Committee (the "Finance Committee"), chaired by Mr Emmanuel Roman, acts as an advisory body to the Board on finance, audit and investment matters.

The Foundation's investment policy prohibits investments in companies or entities that:

- Generate any turnover from the business of manufacturing tobacco products and tobacco marketing.
- Market breast milk substitutes unless they have committed to adopt the World Health Organisation's International Code of Marketing Breast Milk Substitutes.
- Generate 10% or more of turnover from extracting, stockpiling, distributing or trading fossil fuels.
- Generate 25% or more of turnover from the development, production, manufacture, distribution, stockpiling, transfer or sale of arms.

If a company in which the Foundation is invested falls into one of these categories, the investment manager has 12 months to divest. However, the investment manager may invest in companies or entities that market breast milk substitutes as described above if the investment manager encourages the relevant company or entity to adopt a publicly available policy committing to adopting the Code of Marketing Breast Milk Substitutes.

Taking into account the advice of the Finance Committee, the Board is satisfied with the current investments and their allocation, although the Board will continue to monitor and review the investment strategy, through the Finance Committee. The Finance Committee regularly reviews the performance of the endowment and engages with the investment manager to understand the impacts and actions of the manager. The views of the Finance Committee are shared with the Board so that the non-conflicted Trustees can assess whether they believe any changes to the Investment Policy or the investment management arrangements are required.

The Trustees are aware of the potential conflict of interest which exists between the Foundation and Sir Christopher Hohn as both a Trustee and his position as Managing Director of TCI FM, the investment manager to certain entities within the Foundation's Group, and accordingly carefully and appropriately manage the relationship. Any potential conflicts in relation to decisions regarding the endowment are managed in accordance with the relevant provisions in the Foundation's articles of association.

The members of the Finance Committee complete a full review of the Investment Policy at least annually, which includes a review of the investment manager, benchmarking its returns and also benchmarking the intermediary fees of the third party real estate advisor. Further details of the investment portfolio can be seen in the notes to the consolidated financial statements.

Cash Management Policy

The Foundation has a Cash Management Policy, which was adopted by the Trustees on 11 March 2013 and was most recently updated by Trustees in March 2021. The Cash Management Policy is reviewed at least annually by the Finance Committee and the Trustees and, if necessary, amended.

The Cash Management Policy sets out:

- The principal objective of cash management at the Foundation, which is to ensure that the Foundation has sufficient cash available to meet its working capital requirements. The Foundation does not seek to maximise investment returns through its cash management activities;
- The cash management activities that are permitted by the Foundation and the applicable limitations upon those activities; and
- Who is required to authorise cash management activities.
- The Foundation implements the Cash Management Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including CC14).

Financial risk management

Internal controls

The Foundation's internal controls are designed to provide assurance to the Board of Trustees that adequate procedures are in place and operating effectively to mitigate the risk of material financial loss or misstatement.

The Foundation reviews internal operational and financial process controls on an on-going basis, with external support where appropriate, and implements improvements. CIFF continue to invest significantly in IT security, including annual external reviews and the onboarding of an internal resource focused on IT security.

The Foundation's budgets are prepared annually. The Foundation's support and governance spend is set by reference to total planned charitable disbursements to ensure it remains reasonable and proportionate. The Executive Directors review and approve guidance for budget holders and staff to monitor and control operating cost and government-related expenditure. Further details of financial risk management can be seen in Note 16 of the consolidated financial statements.

Granting Policy

The Foundation currently adopts a "multi-year agreement" approach for multi-year programmes. This multi-year agreement permits, for example, a five-year programme to be contracted for the full five-year term of the programme, but subject to programme reviews and conditionality such that it remains consistent with Statement of Recommended Practice ("SORP") guidance, with expenditure being recognised annually in the Consolidated Statement of Financial Activities.

For each new grant programme, or "investment", a full programme budget and mapped work plan is developed by the grantee and the CIFF sector teams during the due diligence phase in order to obtain the necessary approval by the Board, Programme Investment Committees (PICs), or, in the case of investments of a programme with a budget of US\$1 million or less, the CEO (see also the Foundation Governance Structure section on page 38).

Upon approval by the Board or PICs, the full programme budget is agreed for the full-term of the programme, subject to the performance reviews that take place during each year of the multi-year programme or any other specific conditionality or "gating" requirements imposed by the Board or PICs. During performance reviews, the relevant CIFF sector team reviews the progress of the grant and, if appropriate, agree the work-plan going forward, budget, KPIs, milestones and deliverables.

The performance review process is set out as a condition of the agreement with the grantee, with release of funding being conditional upon adherence to the work-plan, budget, KPIs, milestones and deliverables by a specific date set out in the multi-year contract.

Failure to complete the performance review process and adhere to the work-plans, budgets, KPIs, milestones and deliverables by the relevant date specified may result in termination of the grant agreement.

Reserves Policy

The Foundation maintains three internal reserves to assist in achieving these financial objectives: Restricted Funds, an Expendable Endowment Fund and Unrestricted Funds. The level of these Reserves, considered on a ten-year time horizon, is the key determinant in the amount of capital which the Group is able to distribute each year to charitable activities. The Trustees review reserves annually and are satisfied that the CIFF group is in a position to meet all its current and anticipated future commitments.

Unrestricted reserves

Designated funds

As at 31 December 2022, the Trustees have earmarked US\$914 million (2021: US\$951 million) of reserves as designated funds in recognition of funds which may be called upon to fund approved multi-year programmes within the next 1 to 5 years.

Operational Reserves

The Foundation's unrestricted funds have also been used in 2022 and previous years as "Operational Reserves" to finance the Foundation's grant expenditure and direct charitable activity expenditure, operating cost and governance costs and to provide a short-term buffer for grant-making and other costs.

Cash flow projections for income and expenditure are reviewed to ensure that the level of disposable net assets is adequate, and that the Foundation is in a position to meet all its grant-making and working capital commitments. In the event that the Foundation is unable to meet its commitments from reserves of unrestricted funds at their disposal, the Foundation will, as referred to below, draw on the expendable endowment to meet those commitments as necessary.

In view of the high level of liquidity of a large proportion of the Foundation's assets, the Trustees do not consider that it is necessary or justifiable to carry unrestricted operational reserves and therefore working capital surpluses are transferred to the expendable endowment. The unrestricted operational reserves as at 31 December 2022 was US\$nil (2021: US\$nil).

Restricted Funds

Restricted funds are generated when a donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Group. The restricted fund balance as at 31 December 2022 was US\$8 million (2020: US\$8 million) which consisted of fixed assets relating to drilling equipment for water wells.

Expendable Endowment Funds

The Group's endowment is expendable at the Trustees' discretion. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects. The Trustees' intention is to monitor the value of the expendable endowment fund in real terms over a multi-year period to ensure that the Group can maintain its existing level of annual charitable expenditure and increase it gradually as they see necessary to meet the Foundation's charitable objectives for future years. At the year end, the value of the expendable endowment fund was US\$4,036 million (2021: US\$4,922 million).

Structure and Governance

The Foundation is a company limited by guarantee, incorporated on 8 February 2002 and registered as an English charity on 12 March 2002. The charity number is 1091043.

Subsidiary Companies

The Foundation has twelve directly or indirectly owned vehicles within its Group as at 31 December 2022 (2021: fourteen) that have a mixture of purposes including to hold endowment investments and to help achieve the charitable objectives of the foundation. For the period to 31 December 2022, the reported results of the subsidiary undertakings of CIFF are disclosed in the note 14. These results of the CIFF Group are consolidated and are presented in the consolidated financial statements.

The Board of Trustees

The members of the Board of Trustees are set out below. For the purposes of company law, the individuals listed are Directors of the Foundation and are appointed in accordance with the Foundation's constitution. The Board of Trustees meets to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, investment, reserves and risk management policies and performance. The Trustees who were in office during the period and up to the date of signing the financial statements were:

Sir Christopher Hohn

Mr Ben Goldsmith

Mr Masroor Siddiqui

Ms Ana Marshall

Mr Marko Lehtimäki

The Trustees are selected on the basis of their skills and expertise, particularly in the areas of business management. The Trustees determine the strategy and policies of the Foundation and monitor implementation and impact. The Trustees also serve as resources to the Foundation, sharing new and relevant research and projects, and directly supporting key aspects of operations.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 10 and 25 to the financial statements. Trustees are required to disclose all relevant interests and review the Board Members' Register of Interests at each Board meeting. Trustees must register all relevant interests with the Company Secretary and, in accordance with the Foundation's Articles of Association and its policy on conflicts of interest, withdraw from decisions where a conflict of interest arises.

The Foundation provides a formal induction programme for new Trustees and new committee members, including the provision of the Foundation's key governance, policy and financial documents, relevant Charity Commission guidance and details of the organisational structure of the Foundation (including delegated authority levels).

Induction sessions are also arranged to explain the legal obligations of Trustees and committee members and provide briefings from senior operational personnel and professional advisors.

The Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee was established in May 2006 and is constituted by not less than four members appointed by the Board, one of whom must be a Trustee. Other members with appropriate skills and expertise, who need not be Trustees, may be appointed to the Committee by the Board. The current trustee member is Masroor Siddiqui and the five independent members of the Committee are Emmanuel Roman (Chair), Kevin Davis, Richard Hayden, Jacob Schimmel and Ellen Shuman. CIFF's Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer and General Counsel are regular attendees of the Committee. The Finance, Audit and Investment Committee has delegated responsibility on behalf of the Board for advising the Trustees on audit, finance and investment matters.

Programme Investment Committee, Climate

The terms of reference of the Programme Investment Committee, Climate ("PIC Climate") were approved in October 2015 and most recently updated in March 2023. The PIC Climate is constituted by at least three Trustees, the Foundation's CEO, CFO and at least three (but no more than eight) independent advisers. The PIC Climate has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's environmental objectives (advancing environmental protection or improvement, including preservation and conservation of the natural environment) and the promotion of sustainable development to mitigate climate change ("Climate Purposes"). The PIC Climate has decision making authority for grant proposals regarding Climate Purposes up to and including US\$30 million.

Programme Investment Committee, Children

The terms of reference of the Programme Investment Committee, Children ("PIC Children") were approved in August 2015 and most recently updated in March 2023. The PIC Children is constituted by at least three Trustees, the Foundation's CEO, CFO and at least three (but no more than eight) independent advisers. The PIC Children has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's non-Climate Purposes. The PIC Children has decision-making authority for grant proposals regarding non-Climate Purposes up to and including US\$30 million.

Impact Investment Committee

During 2022, the Foundation's Impact Investment Committee was dissolved, reflecting the Board's decision to stop making new impact investments. Management of the Foundation's existing impact investment portfolio (including existing commitments thereunder) is carried out by the ClIFF Finance Team, with relevant input from the ClIFF programmes teams, under the oversight of the PIC Climate or PIC Children (as relevant) and the Board (where applicable).

CEO Delegated Authority

The Board has delegated to the CEO responsibility for receiving, considering and making decisions upon certain grant proposals up to and including US\$1 million. The Terms of Reference for the CEO's delegated authority were approved by the Board on 11 February 2014 and last amended on 10 June 2019. This authority is subject to a maximum aggregate limit of 10% of forecast multi-year value ("MYV") of new programmes set out in the relevant financial year's business plan. The CEO also has delegated authority to approve evidence, measurement and evaluation, as well as grantee organisational development grants, in each case up to 1% of MYV.

Risk and Impact Committee

During 2022, the Foundation's Risk and Impact Committee was dissolved, reflecting the Board's decision to stop making new impact investments.

Remuneration Committee

The Remuneration Committee was established in February 2015 and is constituted by at least two Trustees. The current Trustee members are Sir Christopher Hohn, Marko Lehtimäki and Ana Marshall (Chair). The Remuneration Committee has delegated responsibility on behalf of the Board for determining and reviewing policy for executive remuneration, approving principles and policies of reward throughout the Foundation (including the design of any performance-related pay schemes operated by the Foundation) and determining the total individual remuneration package of the CEO (including annual bonus).

Remuneration Report and Other Governance

The principles of the remuneration policy

The Foundation aims to develop and maintain remuneration strategies and policies in line with the corporate strategy, culture and objectives of the organisation. Our reward and recognition strategies and policies are designed to attract and retain motivated and talented people. We will remain competitive within the markets in which we work to manage a skilled and diverse workforce. Salaries are bench-marked periodically using external market data. Exceptional personal performance, giving due consideration to each role, is reflected in discretionary bonus awards and annual salary reviews.

Remuneration of Key Management Personnel

	31 December 2022 US\$'000	31 December 2021 US\$'000
Executive Directors	3,205	3,664
Employer Pension Contributions	62	61
Employer National Insurance Contributions	345	374
Total Consideration	3,612	4,099

The Key Management Personnel of CIFF for the purposes of remuneration disclosure have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

Relationship with Other Charities

The Foundation is a co-founder and collaborator in a number of projects with a range of other UK and international donors, including, but not limited to foundations, government agencies and private individuals.

Foundation Objectives and Public Benefit

The Foundation's objectives, as stated in its governing document, are the general purposes of such charitable bodies or for such other purposes for the benefit of the community as shall be exclusively charitable as the Trustees may from time-to-time determine.

In setting the Foundation's objectives and planning its activities, the Foundation's Trustees have considered section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Foundation's activities and achievements are outlined throughout this Trustees' Report and we believe fully demonstrate that the Foundation is providing public benefit.

Political Contributions

CIFF made no political donations or incurred any political expenditure during the year (2021: none).

Charity Governance Code

CIFF applies the majority of the principles in the Charity Governance Code (the "Code"). In some cases, including trustee engagement, decision-making and evaluation of charity impact, CIFF is in many ways exceeding the best practice stated in the Code. In other areas, such as equality, diversity and inclusion, CIFF has been undertaking a comprehensive assessment to help it build more effective practices to further its charitable purposes.

Relevant Audit Information

CIFF believes that it has taken all steps necessary to make itself aware of any relevant audit information and has established that the CIFF's statutory auditor has been made aware of that information. In so far as it is aware, there is no relevant audit information of which the statutory auditor is unaware.

Trustees' Responsibility and Financial Statements

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the trustees' report which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006.

Under Company law the trustees 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 Foundation and of the incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Foundation or to cease operations, or have no realistic alternative but to do so.

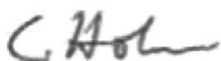
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

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

Independent Audit

The auditors, KPMG, have expressed their willingness to remain in office for a further year.

In approving this Trustees' Annual Report, the Trustees are also approving the Strategic Report in their capacity as company directors.



On behalf of the Board
Sir Christopher Hohn
Chairman
15 June 2023

Independent Auditors Report to the members of the Children's Investment Fund Foundation (UK)



KPMG

Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

Report on the audit of the financial statements

Opinion

We have audited the English language version of the financial statements of The Children's Investment Fund Foundation (UK) ('the Foundation') and its subsidiaries ('the Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated and Foundation Balance Sheets, Consolidated Cash Flow Statement, and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Foundation's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Foundation or to cease their operations, and as they have concluded that the Group and the Foundation's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the Foundation's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Foundation will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Foundation's regulatory and legal correspondence; and reading Board of Trustee and Finance Committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the Message from the Chair, the Message from the CEO, the information included within the Trustees' Report, the information included within the Strategic Report, the Statement of Trustees' Responsibilities and the Group Information. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) (continued)

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the trustees' report;
- in our opinion, the information given in the trustees' annual report is consistent with the financial statements;
- in our opinion, the trustees' annual report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of the trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 41, the trustees are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and the Foundation's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clavin
Senior Statutory Auditor
for and on behalf of
KPMG, Statutory Auditor
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

15 June 2023

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2022 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	3 and 21	-	20,756	-	20,756
Investments	4	-	-	51,101	51,101
Total incoming resources		-	20,756	51,101	71,857
Expenditure on					
Raising funds	4	15,344	-	-	15,344
Charitable activities	5	473,057	17,554	-	490,611
Total resources expended		488,401	17,554	-	505,955
Net loss on investments	14	-	-	(477,397)	(477,397)
Foreign Exchange losses	14	(971)	-	-	(971)
Exchange differences on translating foreign currency operations		-	-	(10,014)	(10,014)
Net Income/(expenditure)		(489,372)	3,202	(436,310)	(922,480)
Transfers	21	452,840	(3,074)	(449,766)	-
Net movement in funds		(36,532)	128	(886,076)	(922,480)
Fund balances carried forward at 1 January 2022		950,853	8,099	4,922,190	5,881,142
Fund balances carried forward at 31 December 2022		914,321	8,227	4,036,114	4,958,662

The consolidated Statement of Financial Activities ("SOFA") has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 50 to 85 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2021 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	3 and 21	-	4,290	-	4,290
Investments	4	-	-	24,468	24,468
Total incoming resources		-	4,290	24,468	28,758
Expenditure on					
Raising funds	4	19,335	-	-	19,335
Charitable activities	5	825,349	2,902	-	828,251
Total resources expended		844,684	2,902	-	847,586
Net gains on investments	14	-	-	694,914	694,914
Foreign Exchange gains	14	(456)	-	-	(456)
Exchange differences on translating foreign currency operations		-	-	-	-
Net Income/(expenditure)		(845,140)	1,388	719,382	(124,370)
Transfers	21	1,153,414	-	(1,153,414)	-
Net movement in funds		308,274	1,388	(434,032)	(124,370)
Fund balances carried forward at 1 January 2021		642,579	6,711	5,356,222	6,005,512
Fund balances carried forward at 31 December 2021		950,853	8,099	4,922,190	5,881,142

The consolidated SOFA has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 50 to 85 form part of the Consolidated Financial Statements.

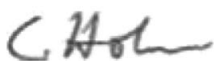
THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

CONSOLIDATED AND FOUNDATION BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
	Notes				
Fixed Assets					
Intangible assets	12	500	500	-	-
Tangible assets	13	9,327	9,234	1,114	1,204
Investments	14	5,118,867	5,899,121	5,210,881	6,788,913
<i>of which loans</i>		1,009,917	1,554,960	5,074,561	5,934,320
<i>of which other investments</i>		4,108,950	4,344,161	136,320	854,593
Total fixed assets		5,128,694	5,908,855	5,211,995	6,790,117
Current Assets					
Debtors	17	6,824	14,571	5,497	993
Cash at bank and in hand	18	181,738	424,160	62,752	64,284
Cash pledged as collateral	18	332	14,770	-	-
Total current assets		188,894	453,501	68,249	65,277
Creditors: amounts falling due within one year	19	(210,953)	(257,349)	(176,310)	(756,664)
Net current assets/liabilities		(22,059)	196,152	(108,061)	(691,387)
Total Assets less current liabilities		5,106,635	6,105,007	5,103,934	6,098,730
Creditors: amounts falling due after one year	20	(147,973)	(223,865)	(144,000)	(217,000)
Net Assets		4,958,662	5,881,142	4,959,934	5,881,730
Total funds of the charity:					
Expendable endowment fund	21	4,036,114	4,922,190	4,045,613	4,930,877
Restricted funds	21	8,227	8,099	-	-
Unrestricted funds:					
Designated funds	21	914,321	950,853	914,321	950,853
Total charity funds		4,958,662	5,881,142	4,959,934	5,881,730

The financial statements on pages 46 to 86 were approved by the Trustees and authorised for issue on 15 June 2023, and signed on their behalf by:



Sir Christopher Hohn
Chairman
15 June 2023

The accounting policies and the notes on pages 50 to 85 form part of the Consolidated Financial Statements.

Consolidated Cash Flow Statement

	31 Dec 2022 US\$ '000	31 Dec 2021 US\$ '000
Net cash used in operating activities	(398,465)	(223,811)
Cash flow from investing activities:		
Dividends received	41,527	20,817
Interest received	6,495	1,574
Rental income received	3,961	1,685
Proceeds from the sale of:		
Investments	1,651,849	2,318,360
Purchase of:		
Tangible fixed assets	(1,543)	(2,183)
Investments	(1,534,945)	(1,796,044)
Net cash used in investing activities	167,344	544,209
Cash flows from financing activities		
Interest paid	(316)	(153)
Net cash used in financing activities	(316)	(153)
Change in cash and cash equivalents in the reporting year	(231,437)	320,245
Cash and cash equivalents at the beginning of the reporting year	424,160	104,371
Effect of exchange rate movements on cash and cash equivalents	(10,985)	(456)
Cash and cash equivalents at the end of the reporting year	181,738	424,160

Reconciliation of incoming resources to net cash flows

	31 Dec 2022 US\$ '000	31 Dec 2021 US\$ '000
Net gain/(loss) for the reporting year (as per the statement of financial activities)	(922,480)	(124,370)
Adjustments for:		
Net loss/(gain) on investments	663,350	(456,570)
Dividends income	(40,645)	(21,209)
Foreign exchange movements	10,985	456
Interest income on investments	(6,495)	(1,574)
Interest expense	1,005	317
Depreciation charges	1,450	451
Decrease in debtors	2,904	17,207
Decrease in cash pledged as collateral	14,438	80,246
(Decrease)/increase in creditors	(122,977)	281,235
Net cash used in operating activities	(398,465)	(223,811)

The accounting policies and the notes on pages 50 to 85 form part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

a) Basis of accounting

The Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments, and have been prepared in accordance with the Statement of Recommended Practice ("SORP") 'Accounting and Reporting by Charities' (published 2015), the Charities Act 2011, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006.

The Children's Investment Fund Foundation (UK) (the "Foundation") including its subsidiaries undertakings (the "Group") applied the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 'Financial Instruments' and the disclosure and presentation requirements of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

The Foundation is a public benefit entity and has adapted the Companies Act formats to reflect the Charities SORP and the nature of the Foundation's activities.

The Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Trustees of the Foundation made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Trustees are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

b) Functional currency and presentational currency

These financial statements are presented in United States Dollar ("US\$"), which is the Group's functional currency. 'Functional currency' is the currency of the primary economic environment in which the Group operates. The Group's investments, grants and expenditures are denominated and paid mostly in US\$. Accordingly, the Board has determined that the functional currency of the Group is United States Dollar. All amounts have been rounded to the nearest thousand, unless otherwise indicated and the terminology 'k' will be used to refer to thousands throughout the financial statements.

c) Basis of consolidation

The Consolidated Statements of Financial Activities ("SOFA"), Balance Sheets and Cash Flow Statements incorporate the results of The Children's Investment Fund Foundation (UK) (the "Foundation") and its subsidiary undertakings, CIFF (UK) Newco Limited ("CIFF Newco"), Talos Capital Designated Activity Company ("Talos"), CIFF Capital UK LP ("CIFF Capital"), CIFF Investments LLP ("CIFF Inv"), CIFF Investments II Limited ("CIFF II"), CIFF Investments III LLP ("CIFF III"), CIFF IP Co Limited ("CIFF IP"), CIFF Water Limited ("CIFF Water"), CIFF General Partner Limited ("CIFF GP"), 86th Street Lender LLP ("86th LLP"), 11th Avenue Lender LLP ("11th LLP") and Chiswick Riverside LLP ("Chiswick"). The consolidated entity is referred to as the "Group". No separate SOFA and Cash Flow Statement have been presented for the Foundation alone as permitted by Section 408 of the Companies Act 2006 and SORP. Intra-group balances are eliminated fully on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those used by the Group.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate Financial Statements are set out below in paragraphs (a) to (q). The policies have been consistently applied to all periods presented, unless otherwise stated.

a) Critical accounting estimates and judgements in applying accounting policies

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported valuations of assets and liabilities within the financial year. Actual results may differ from those estimates. Estimates are continually evaluated and

2. ACCOUNTING POLICIES

based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below and in Notes 14 and 15 for investments.

b) New and amended standards and interpretations

There have been no adoptions of new or amended standards during 2022 that resulted in a significant impact to the Group.

There are presently no new standards, amendments or interpretations to existing standards that are not yet effective that would be expected to have significant impact on the Group.

c) Incoming resources

All incoming resources are accounted for when the Group is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income earned on loan investments is recorded within 'Net gains on investments' due to the loans being held at fair value. Interest income on cash balances is recorded in SOFA within 'Income from investments'. Dividend income and expenses, when the underlying security is held directly by the Group, is recognised on ex-dividend date, net of foreign withholding taxes in SOFA within 'Income from investments'. Withholding tax is accounted for on an accruals basis. For those securities held via an intermediary, the dividends are accounted for when notified. Rental income earned from the investment property is recorded within 'Income from investments' on an accruals basis and is receivable monthly in advance.

Donations are recognised when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to either the sectoral charitable activity areas or cost categories. For expenditure incurred across the sectors, amounts are attributed to each area based on the granting activities undertaken during the financial period. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient. Multi-year grants are subject to periodic reviews and conditionality such that the liability is recognised in most cases annually, when the criteria for recognising the liability are met.

Support costs, other than direct costs for each sectoral activity area and excluding any restricted expenditure, are re-allocated to each of the activities on the following basis, which is an estimate based on annual grant commitments levels, excluding Big Win Philanthropy commitments:

	2022	2021
Climate Change	48.4%	50.5%
Sexual & Reproductive Health & Rights	19.7%	20.0%
Girl Capital	3.2%	2.5%
Child Health & Development	24.4%	22.7%
Child Protection	0.7%	0.2%
Cross Cutting	3.6%	4.1%

Activities undertaken directly relate to expenditure incurred by the Foundation through direct service provision or work undertaken by the Foundation that contributes directly to the Foundation's objectives.

Other sectoral teams that have continued to support the Foundation's activities, i.e. External Affairs, Evidence, Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

Expenditure incurred in relation to the Foundation's restricted activities are costs specifically identifiable and relevant to the restrictions assigned to those activities and therefore can be allocated to the restricted funds.

2. ACCOUNTING POLICIES

e) Financial assets and liabilities

i.) Financial assets

Initial recognition and measurement

As per paragraphs 11.2 and 12.2 of FRS 102 the Group has elected to adopt the recognition and measurement requirements of IFRS 9.

Under IFRS 9 'Financial Instruments', financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss ("FVPL"). Purchases and sales of investments are recognised on their trade date, which is the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Foundation has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, financial assets are measured at FVPL. Gains and losses arising from changes in the fair value of the investments category are included in the SOFA in the year in which they arise and are based on the First-In, First-Out ("FIFO") method.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

In accordance with IFRS 9, the Group classifies its financial assets at initial recognition into the categories discussed below.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI"). The Group includes in this category short-term non-financing receivables including cash at bank and in hand, cash pledged as collateral and debtors.

Financial assets measured at fair value through profit or loss

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group includes in the FVPL category all investments in loans, concessionary loans, real estate loans (principal amount plus accrued interest receivable), listed equities, derivatives in an asset position, investment properties, corporate bonds, private placement and investment funds.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For these financial assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group classifies the following financial assets under amortised cost: cash at bank and in hand, cash pledged as collateral and debtors. Cash at bank and in hand and cash pledged

2. ACCOUNTING POLICIES

as collateral comprise cash at banks and in hand, on demand and interest bearing deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and their carrying amounts approximate amortised cost. The loss allowance is based on lifetime expected credit losses. All material counterparties have an investment grade credit rating by Moody's/S&P of A1/A+ or higher and there is no history of defaults/non-payment and all receivables' balances are short term (<1 year).

The Group only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted the simplified approach to ECLs. No ECL impairment allowance has been recorded against the Group's receivables during the year. The ECL is not relevant to financial assets at fair value through profit or loss and financial liabilities designated at fair value through profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the SOFA under 'Net gains on investments'. Any interest in such transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

ii.) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and include loans and borrowings, payables, and derivatives in a liability position, as appropriate. All financial liabilities are recognised initially at fair value.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities, other than those measured at FVPL. The Group includes in this category amounts due to brokers, grants, accruals and deferred income and other payables.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in SOFA in the year in which they arise and are based on the FIFO method. Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

f) Investments

Listed and unlisted securities

Securities listed or quoted on any securities exchange and regularly traded thereon are valued at fair value. The fair value of an investment is based on its quoted market price.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, other than loans and receivables, will be valued at their fair value based on information provided by TCI Fund Management Limited's ("TCI FM" or the "Investment Manager") portfolio management team such as using the latest available redemption price for investment funds.

Because of their inherent uncertainty, estimated fair values may differ from the values that would have been used had a ready market for the securities existed.

2. ACCOUNTING POLICIES

Unfunded commitments

The Group may invest in loans and securities which incorporate a commitment that it will be obliged to pay at a future date if called upon by the counterparty. The timing and amounts of settlement of these potential obligations are uncertain at year end.

Due to these uncertainties the Group does not recognise these amounts as liabilities on its Consolidated Balance Sheet, however these amounts are disclosed as contingent commitments in Note 23.

Derivative contracts

Derivative contracts ("derivatives") are recognised at fair value on the date on which the derivative is entered into and are subsequently re-measured at their fair value on an ongoing basis. Fair values are obtained from quoted market prices in active markets, including recent market transactions. Where quoted prices are not available the investments are valued using information provided by counterparties to the contracts.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the SOFA.

The Group enters into forward foreign exchange contracts. Forward foreign exchange contracts are fair valued on a daily basis using the forward contracted rate derived from readily available market data. When the contract is closed, the Group records realised gains/losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Forward foreign exchange contracts are fair valued using the forward contracted rate derived from readily available market data. As at 31 December 2022 the Group held forward foreign exchange contracts with an aggregate fair value and net asset position of US\$39,501k (2021: net liability position of US\$406k).

The Group enters into swap agreements which represent agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of a particular security or index and a specified notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the swap may be greater or less than the amount recorded. The realised gain or loss depends upon the prices at which the underlying financial instruments of the swap is valued at the swap's settlement date and is included in the SOFA. Unrealised gains or losses are fair valued in and the resulting movement in the unrealised gain or loss is recorded in the SOFA. As at 31 December 2022, the Group did not hold equity swaps (2021: unrealised loss of US\$222k).

Investment funds

The Group invests in investment funds ("Investee Funds") which are subject to the terms and conditions of the Investee Funds' offering documentation. The investment in the Investee Funds are primarily valued based on the latest available redemption price of such units for the Investee Fund, as determined by the administrator of the Investee Fund. Where a readily ascertainable market valuation is not available, the Investee Funds are valued at cost less any expected losses (see Note 13). When a share/unit is sold the Group recognises the realised gains/(losses). Other changes in fair value of the Investee Funds are recorded as unrealised gains/(losses). At 31 December 2022, the Group held investment fund positions of US\$30k (2021: US\$61,001k).

Investment property

The Group invested in an investment property comprising wholly of UK-based freehold land and buildings leased to third parties. The Group's policy is to include the investment property within investments at their fair value, which is usually equivalent to the open market value.

Leased assets

The annual rentals for operating leases are charged to the SOFA on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES

Investments in subsidiaries

Investments in subsidiaries are held at cost, less impairment in the Foundation's Balance Sheet, apart from the investment in ClIFF Capital UK LP which is held at fair value.

Loans

The Group invests in Real Estate and Corporate Loans which are accounted for on a fair value basis. Fair values are calculated with reference to discounted cash flow models on the expected future cash flows of each loan investment constructed by external valuers. The movements in the fair values are included within "Net gains on investments" in the SOFA. Please refer to Note 15 which details information surrounding the significant unobservable inputs of these loan investments.

Private placement

Private placement securities are not registered for public sale and are carried at an estimated fair value at each valuation point, as determined by the Group, in consultation with the Investment Manager's portfolio management team, with reference to recent funding rounds and performance updates provided by the investment management's team. At 31 December 2022, the Group did not hold a private placement position (2021: one private placement position which has been fair valued at US\$nil).

Programme related investments

Programme related investments are a type of social investment and are made directly in pursuit of the Foundation's charitable purposes. The primary motivation for making a programme related investments is not for financial gain but to further our charitable objects. Programme related investments can generate some financial return, and the funding may or may not be provided on commercial terms. The current programme related investments portfolio consists of a number of fund and private placement investments which follow the respective investments accounting policy and as at 31 December 2022 amounted to US\$12,053k (2021: US\$12,633k).

The Foundation also classified concessionary loans as programme related investment as the primary purpose for this investment is to further the accomplishment of their charitable purposes through facilitating the success of the number of Programmes. The Foundation has elected to initially recognise and measure the loan at the amount paid with the repayments reflected in subsequent years. Concessionary loans for the year ended 31 December 2022 amounted to US\$nil (2021: US\$3,000k) and are presented within Programme Related investments throughout the notes to the accounts.

Mixed motive investments

Mixed motive investments are made in pursuit of the Foundation's charitable purposes and financial gains. The current mixed motive investment portfolio consists of a number of fund investments which follow the investment policy. Mixed motive investments as at 31 December 2022 amounted to US\$46,417k (2021: US\$34,265k).

g) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into US\$ at the foreign currency spot rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the foreign currency spot rates of exchange at the date of the transaction. Differences arising on settlement and translation of monetary items are recognised in the SOFA.

The year end rate prevailing on the balance sheet date was US\$1 : £0.83 (2021: US\$1 : £0.74). For consolidation purposes, balance sheets of subsidiaries reported in Pound Sterling currency ("GBP" or "£") have been converted into US dollar at the foreign exchange rate as at 31 December 2022. For all GBP reported profit and loss accounts of subsidiaries, the average foreign exchange rate for the relevant period has been applied at USD rate of US\$1 : £0.81 (2021: US\$1 : £0.73).

h) Intangible assets and amortisation

Intangible assets that are acquired and developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment loss.

2. ACCOUNTING POLICIES

Amortisation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life of 10 years. The amortisation will commence once the intangible product's development is completed.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the SOFA as incurred.

i) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life. The estimated useful economic lives of fixtures and fittings is 5 years and plant and machinery is 8 years.

Tangible fixed assets are reviewed annually for impairment. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

j) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Group's counterparties on demand and interest bearing deposits with original maturities of less than 3 months. For each separate account at each prime broker, cash can only be withdrawn so long as there is a sufficient collateral excess within the account.

k) Cash pledged as collateral

Cash pledged as collateral includes balances held at year end with the Group's prime brokers and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin requirements with each broker at the year-end date.

l) Amounts due from/to brokers

Amounts due from brokers include cash from investments sold but which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement. Amounts due to brokers include cash from investments purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

m) Debtors

Amounts due from debtors are measured at transaction price, less any impairment.

n) Creditors

Amounts due to creditors are measured at the transaction price.

o) Funds

Designated funds are the unrestricted funds that have been set aside for a particular purpose by the Trustees. Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted funds arise when the funds are specified as such by the donor or when funds are raised for particular restricted purposes.

2. ACCOUNTING POLICIES

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income on investments is accounted for within the Expendable Endowment Fund. When the Foundation is unable to meet its commitments from reserves of Unrestricted Funds, there would be a transfer from the Expendable Endowment to Unrestricted Funds to meet those commitments.

p) Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

q) Operating Leases

The investment property was leased to tenants under operating leases with rentals payable monthly. The Group has also entered into an operating lease for plant and machinery for US\$nil consideration (2021: US\$nil).

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

3. DONATIONS AND LEGACIES

The income of \$20,756k (2021: \$4,290k) includes restricted donations received from TCI FM of \$14,560k (2021: \$2,208k), the CH Foundation (UK) of \$2,854k (2021: \$1,800k), the Foreign, Commonwealth & Development Office (FCDO) of \$3,074k (2021: nil), the Department for Business, Energy and Industrial Strategy of \$247k (2021: \$282k) and other donations of \$21k (2021: nil).

4. INCOME FROM INVESTMENTS AND EXPENDITURE ON RAISING FUNDS

4 (a) Income from investments

The investment income arises from interest received on cash deposits, interest income earned on loans and receivables is recorded, rental income from investment properties, and dividend income from equity securities within the portfolio held by the Group. The dividend income is recorded at ex-dividend date, gross of foreign withholding taxes. Withholding tax is recorded on an accruals basis. All rental income is derived from investment properties in the United Kingdom.

	Group year ended 31 December 2022 US\$ '000	Group year ended 31 December 2021 US\$ '000
Dividend income	40,645	21,209
Interest income	6,495	1,574
Rental income	3,961	1,685
	51,101	24,468

4 (b) Expenditure on raising funds

The expenditure on raising funds of US\$15,344k (2021: US\$19,335k) includes expenditure relating to managing subsidiaries holding endowment investments including brokerage charges, intermediary fees and investment management fees.

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant Funding of Activities 2022 ⁽¹⁾ US\$ '000	Activities Undertaken Directly 2022 ⁽²⁾ US\$ '000	Support Cost 2022 ⁽³⁾ US\$ '000	Total Charitable Activities 2022 US\$ '000
Climate Change	214,939	1,227	18,168	234,334
Sexual & Reproductive Health & Rights	87,402	668	7,972	96,042
Girl Capital	14,337	60	1,372	15,769
Child Health & Development	108,698	-	6,483	115,181
Child Protection	3,305	-	346	3,651
Cross Cutting ⁽⁴⁾	15,918	2,576	7,140	25,634
	444,599	4,531	41,481	490,611

	Grant Funding of Activities 2021 US\$ '000	Activities Undertaken Directly 2021 US\$ '000	Support Cost 2021 US\$ '000	Total Charitable Activities 2021 US\$ '000
Climate Change	213,494	440	18,065	231,999
Sexual & Reproductive Health & Rights	84,706	286	7,707	92,699
Girl Capital	10,693	-	838	11,531
Child Health & Development	95,919	262	6,183	102,364
Child Protection	688	-	994	1,682
Cross Cutting ⁽⁴⁾	377,242	1,750	8,984	387,976
	782,742	2,738	42,771	828,251

(1) See note 7

(2) See note 6

(3) See note 8

(4) The Group and Foundation's activities including External Affairs, Evidence Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

6. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of US\$4,531k (2021: US\$2,738k) on charitable activities was mainly to further the Foundation's mission; organising convenings and conferences; providing technical assistance and training to grantees and other charitable organisations; and publishing and disseminating reports on research findings.

7. GRANT FUNDING OF ACTIVITIES

Group and Foundation 2022	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants							
African Climate Foundation	6,205	-	-	-	-	-	6,205
Amref Health Africa	-	5,000	-	-	-	-	5,000
APCON Enterprises Limited	-	-	-	6,002	-	-	6,002
Clean Air Fund	4,353	-	-	-	-	-	4,353
ClientEarth	7,502	-	-	-	-	-	7,502
DKT International	-	4,792	-	-	-	-	4,792
END Fund	-	-	-	17,904	-	-	17,904
Energy Foundation China	7,300	-	-	-	-	-	7,300
European Climate Foundation	39,054	-	-	-	-	-	39,054
Foundation for International Law for the Environment	15,783	-	-	-	-	-	15,783
Global Fund to fight AIDS, Tuberculosis and Malaria	-	10,000	-	-	-	-	10,000
Instituto Clima e Sociedade	5,264	-	-	-	-	-	5,264
IPE Global Limited	-	-	814	3,218	-	-	4,032
Living Goods	-	-	-	5,167	-	-	5,167
MSI Reproductive Choices	-	22,364	-	-	-	-	22,364
Pfizer	-	11,805	-	-	-	-	11,805
PSI	-	7,064	4,529	-	-	-	11,593
Rockefeller Philanthropy Advisors, Inc	22,434	-	-	-	-	300	22,734
Sightsavers	-	-	-	5,607	-	-	5,607
Tara Climate Foundation	7,500	-	-	-	-	-	7,500
The Carter Center	-	-	-	5,000	-	-	5,000
The Sunrise Project	12,363	-	-	-	-	-	12,363
Triggerise	-	5,410	-	-	-	-	5,410
United Nations Children's Fund	-	-	-	9,880	-	-	9,880
Windward Fund	10,000	-	-	-	-	-	10,000
World Resources Institute	7,417	-	-	-	-	-	7,417
World Vision Ethiopia	-	-	-	17,120	-	-	17,120
⁽¹⁾ Other Grantees	69,764	20,967	8,994	38,800	3,305	15,618	157,448
Total charitable grants	214,939	87,402	14,337	108,698	3,305	15,918	444,599

7. GRANT FUNDING OF ACTIVITIES – continued

Group and Foundation 2021	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants							
Becton Dickinson	-	5,750	-	-	-	-	5,750
Big Win Philanthropy	-	-	-	-	-	360,000	360,000
C40 Cities climate Leadership Group Inc.	15,500	-	-	-	-	-	15,500
CDP	5,044	-	-	-	-	-	5,044
Clean Air Fund	6,700	-	-	-	-	264	6,964
Client Earth	5,455	-	-	-	-	341	5,796
Crown Agents	-	-	-	13,128	-	-	13,128
DKT International	-	4,680	-	-	-	-	4,680
Energy Foundation China	11,600	-	-	900	-	-	12,500
European Climate Foundation	42,959	-	-	-	-	314	43,273
Foundation for International Law for the Environment	21,955	-	-	-	-	300	22,255
Global Fund to fight AIDS, Tuberculosis and Malaria	-	5,931	-	-	-	-	5,931
Instituto Clima e Sociedade	4,686	-	-	-	-	-	4,686
IPE Global Limited	-	-	3,618	5,946	-	-	9,564
Living Goods	-	-	-	6,247	-	752	6,999
Marie Stopes International	-	19,441	-	-	-	-	19,441
Meridian Institute	4,450	-	-	-	-	-	4,450
One Acre Fund	-	-	-	5,372	-	-	5,372
PSI	-	9,422	-	-	-	-	9,422
Rockefeller Philanthropy Advisors, Inc	18,767	-	-	-	-	500	19,267
Sightsavers	-	-	-	4,915	-	-	4,915
Splash.org	-	-	-	4,770	-	-	4,770
Swiss Philanthropy Foundation	4,728	-	-	-	-	-	4,728
The Sunrise Project	7,164	-	-	-	-	-	7,164
Triggerise	-	8,394	-	-	-	-	8,394
United Nations Children's Fund	-	-	-	10,818	-	-	10,818
United Nations Population Fund	-	10,000	-	-	-	-	10,000
World Resources Institute	6,800	-	-	-	-	-	6,800
World Vision Ethiopia	-	-	-	16,703	-	-	16,703
⁽ⁱ⁾ Other Grantees	57,686	21,088	7,075	27,120	688	14,771	128,428
Total charitable grants	213,494	84,706	10,693	95,919	688	377,242	782,742

⁽ⁱ⁾ The grants included within 'Other grantees' for 2022 totalled less than US\$4.0m (2021: US\$4.0m) in value for each organisation.

8. ALLOCATION OF SUPPORT COSTS

	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2022							
Support costs							
Staff costs (Note 10)	12,591	5,564	964	4,111	242	5,732	29,204
Office expenses	2,930	1,177	193	1,460	45	229	6,034
Governance costs (Note 9)	258	105	17	130	4	19	533
Travel and subsistence	1,037	487	65	363	16	435	2,403
Consultancy and contractor costs	1,352	639	133	419	39	725	3,307
Total support costs allocated to charitable activities	18,168	7,972	1,372	6,483	346	7,140	41,481

	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2021							
Support costs							
Staff costs (Note 10)	11,079	4,736	501	3,370	760	7,155	27,601
Office expenses	3,328	1,308	166	1,479	16	322	6,619
Governance costs (Note 9)	2,242	890	112	1,009	7	180	4,440
Travel and subsistence	80	28	6	42	7	24	187
Consultancy and contractor costs	1,336	745	53	283	204	1,303	3,924
Total support costs allocated to charitable activities	18,065	7,707	838	6,183	994	8,984	42,771

The allocation method of support costs have been discussed in Note 2(d).

9. GOVERNANCE COSTS

	Group year ended 31 December 2022 US\$ '000	Group year ended 31 December 2021 US\$ '000
Auditors' remuneration	270	296
Legal fees	177	4,074
Professional fees	86	70
	533	4,440

The auditors' remuneration, for the year ended 31 December 2022 is split between KPMG US\$238k (2021: US\$274k), S.P. Nagrath (India liaison office auditors) US\$11k (2021: US\$10k), Mazars (China office auditors) US\$9k (2021: US\$8k) and MSE Auditors Partnership (Ethiopia office auditors) US\$12k (2021: US\$4k).

10. STAFF COSTS

	Group and Foundation year ended 31 December 2022 US\$ '000	Group and Foundation year ended 31 December 2021 US\$ '000
Wages and salaries	23,726	22,701
Social security costs	1,899	1,924
Other pension costs	1,090	1,054
	26,715	25,679
Other staff costs	2,489	1,922
Total staff costs	29,204	27,601

The average monthly number of employees (based on the 12-month period) who were employed during the year totalled: 195 (2021: 167). The staff numbers were split between direct activities: 156 (2021: 132) and indirect support: 39 (2021: 35). The number of employees of the Group and Foundation whose remuneration paid in the financial year fell within the following bands were:

Total Remuneration Bandings	Group and Foundation 2022	Group and Foundation 2021
\$71k - \$85k	23	18
\$85k - \$99k	13	9
\$99k - \$113k	13	17
\$113k - \$127k	9	7
\$127k - \$141k	9	11
\$141k - \$155k	10	6
\$155k - \$169k	4	5
\$169k - \$183k	7	1
\$183k - \$197k	4	11
\$197k - \$211k	5	2
\$211k - \$225k	4	2
\$225k - \$239k	2	2
\$239k - \$254k	3	1
\$254k - \$268k	-	5
\$268k - \$282k	-	2
\$296k - \$310k	-	2
\$324k - \$338k	1	-
\$338k - \$352k	1	1
\$352k - \$366k	-	1
\$366k - \$380k	-	1
\$408k - \$423k	1	-
\$423k - \$437k	-	2
\$437k - \$451k	-	1
\$451k - \$465k	1	1
\$493k - \$507k	1	-
\$521k - \$535k	1	-
\$591k - \$605k	-	1

Charity SORP requires disclosure of the number of employees whose total employee benefit (excluding employer pension costs) exceeded £60k during the reporting period split in bands of £10k. The Foundation use a functional and presentational currency of USD therefore a threshold of \$71k and bandings of \$14k have been used, which materially translate to the GBP SORP requirements. Salaries include benefits in kind and are paid in a number of currencies including GBP, which has been translated at the average rate of US\$1:£0.81 (2021: US\$1:£0.73).

The contributions in the year for the provision of a defined contribution pension scheme to employees of the Foundation were US\$1,090k (2021: US\$981k). The number of staff who were members of the scheme was 219 (2021: 211).

The Trustees did not receive any remuneration for their services during the year (2021: US\$nil). The Trustees' expenses reimbursed for travel and subsistence during the year amounted to US\$12k (2021: US\$12k). In 2022, the reimbursed expenses are related to one Trustee (2021: one Trustee).

Remuneration of Key Management Personnel

	31 December 2022 US\$'000	31 December 2021 US\$'000
Executive Directors	3,205	3,664
Employer Pension Contributions	62	61
Employer National Insurance Contributions	345	374
Total Consideration	3,612	4,099

The Key Management Personnel of the Foundation have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees).
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

11. TAXATION

The Group Companies, CIFF Capital, CIFF Newco, CIFF Inv, CIFF II, CIFF III, CIFF IP, CIFF GP, CIFF Water, 86th LLP, 11th LLP and Chiswick did not realise any taxable profit in this financial year, therefore have no tax liability. The subsidiary company, Talos, incurred US\$4k (2021: US\$1k) of Irish corporation tax and US\$nil of withholding tax (2021: US\$nil). In 2022, the subsidiary company, CIFF II, did not incur any deferred tax (2021: US\$3k deferred tax expense).

12. INTANGIBLE FIXED ASSETS

Group	31 December 2022 US\$ '000	31 December 2021 US\$ '000
Cost brought forward	500	500
Additions during the year	-	-
At year end	500	500
Amortisation brought forward	-	-
Charge for the year	-	-
At year end	-	-
Net book value		
At year end	500	500

The intangible asset continues to be under development and testing during 2022. As per FRS 102, no amortisation is recorded as the intangible asset is not ready for its intended use.

13. TANGIBLE FIXED ASSETS

Group	Machinery 31 December 2022 US\$' 000	Fixtures and Fittings 31 December 2022 US\$' 000	Total 31 December 2022 US\$' 000	Total 31 December 2021 US\$' 000
Cost brought forward	8,030	2,607	10,637	8,454
Additions during the year	1,118	425	1,543	2,183
Disposals during the year	-	-	-	-
At year end	9,148	3,032	12,180	10,637
Depreciation brought forward	-	1,403	1,403	952
Charge for the year	935	515	1,450	451
At year end	935	1,918	2,853	1,403
Net book value				
At year end	8,213	1,114	9,327	9,234

Foundation	Fixtures and Fittings 31 December 2021 US\$' 000	Fixtures and Fittings 31 December 2021 US\$' 000
Cost brought forward	2,607	1,982
Additions during the year	425	625
Disposals during the year	-	-
At year end	3,032	2,607
Depreciation brought forward	1,403	952
Charge for the year	515	451
At year end	1,918	1,403
Net book value		
At year end	1,114	1,204

14. INVESTMENTS

Group Investments

The tables below present the Group investments asset and liability composition:

Group Financial Assets	Notes	31 December 2022 US\$ '000	31 December 2021 US\$ '000
Equities		3,932,409	4,147,104
Investment funds	14(d)	30	61,001
Investment properties		64,113	71,945
Mixed motive investments	14(c)	46,417	34,265
Programme related investments	14(b)	12,053	12,633
Forward foreign exchange contracts		53,928	17,213
		4,108,950	4,344,161
Loans and receivables		1,009,917	1,554,960
Total Financial Assets		5,118,867	5,899,121

Group Financial Liabilities	Notes	31 December 2022 US\$ '000	31 December 2021 US\$ '000
Equity swaps		-	222
Forward foreign exchange contracts	19	14,430	17,619
Total Financial Liabilities		14,430	17,841

Gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	Year ended 31 December 2022 US\$ '000	Year ended 31 December 2021 US\$ '000
Realised gains/(losses) on financial assets and liabilities	336,348	645,569
Unrealised gains/(losses) on financial assets and liabilities	(813,745)	49,345
	(477,397)	694,914
Foreign exchange gains/(losses) on financial assets and liabilities	(971)	(456)
Total gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	(478,368)	694,458

The table below presents the movement of the group financial assets from the 31st of December 2021 to the 31st of December 2022:

Group	Fair value at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/22 US\$ '000	Cost at 31/12/22 US\$ '000
UK	382,446	19,556	(95,910)	(18,705)	287,387	363,515
Overseas	1,352,359	171,144	(629,443)	(48,916)	845,144	1,090,963
Total unquoted	1,734,805	190,700	(725,353)	(67,621)	1,132,531	1,454,478
UK	72,915	-	(66,114)	(6,801)	-	-
Overseas	4,091,401	1,344,245	(860,382)	(588,928)	3,986,336	3,919,158
Total quoted	4,164,316	1,344,245	(926,496)	(595,729)	3,986,336	3,919,158
Total	5,899,121	1,534,945	(1,651,849)	(663,350)⁽¹⁾	5,118,867	5,373,636

⁽¹⁾ The difference between total losses above of US\$663,350k and the SOFA loss of US\$478,368k, (sum of net losses on investments of US\$477,397k and foreign exchange losses of US\$971k) is due to the realised and unrealised gain on short forward foreign exchange contracts of US\$77,296k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$107,686k and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the foreign exchange overlay.

The table below presents the movement of the group financial assets from the 31st of December 2020 to the 31st of December 2021:

Group	Fair value at 31/12/20 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/21 US\$ '000	Cost at 31/12/21 US\$ '000
UK	802,137	318,417	(736,023)	(2,085)	382,446	477,090
Overseas	1,790,438	65,965	(484,828)	(19,216)	1,352,359	1,518,910
Total unquoted	2,592,575	384,382	(1,220,851)	(21,301)	1,734,805	1,996,000
UK	-	66,114	-	6,801	72,915	66,114
Overseas	3,372,292	1,345,548	(1,097,509)	471,070	4,091,401	3,292,273
Total quoted	3,372,292	1,411,662	(1,097,509)	477,871	4,164,316	3,358,387
Total	5,964,867	1,796,044	(2,318,360)	456,570	5,899,121	5,354,387

⁽¹⁾ The difference between total gains above of US\$456,570k and the SOFA gain of US\$694,458k, (sum of net gains on investments of US\$694,914k and foreign exchange losses of US\$456k) is due to the realised and unrealised gain on short forward foreign exchange contracts of US\$94,173k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$143,715k and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the Foreign exchange overlay.

Foundation Investments

The table below presents the Foundation's investment composition:

	Note	31 December 2022 US\$ '000	31 December 2021 US\$ '000
Investment in subsidiaries	14(a)	77,820	764,257
Programme related investments	14(b)	12,053	12,633
Mixed motive investments	14(c)	46,417	34,265
Loan to subsidiary	14(e)	5,074,561	5,931,320
Investment funds	14(d)	30	46,438
Total Financial Assets		5,210,881	6,788,913

Foundation – Investments Held at Fair Value

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2021 to the 31st of December 2022:

	Fair value at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/22 US\$ '000	Cost at 31/12/22 US\$ '000
UK	6,687,229	-	(439,854)	(1,104,653)	5,142,992	5,564,914
Overseas	93,336	9,103	(5,610)	(38,329)	58,500	156,362
Total unquoted	6,780,565	9,103	(445,194)	(1,142,982)	5,201,492	5,721,276

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2020 to the 31st of December 2021:

	Fair value at 31/12/20 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/21 US\$ '000	Cost at 31/12/21 US\$ '000
UK	6,041,320	512,761	(549,583)	682,731	6,687,229	6,004,498
Overseas	88,989	19,394	(19,644)	4,597	93,336	153,721
Total unquoted	6,130,309	532,155	(569,227)	687,328	6,780,565	6,158,219

Foundation - Investments Held at Cost

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2021 to the 31st of December 2022:

	Cost at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/22 US\$ '000
UK	8,348	1,063	(22)	9,389
Total quoted	8,348	1,063	(22)	9,389

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2020 to the 31st of December 2021:

	Cost at 31/12/20 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/21 US\$ '000
UK	6,831	1,586	(69)	8,348
Total quoted	6,831	1,586	(69)	8,348

14. INVESTMENTS

14 (a) Investments in subsidiaries

The table below details the investments held by the Foundation in its subsidiaries:

Entity	Incorporated in	% Holding	Purpose	Profit/(loss) US\$ '000	
				2022	2021
CIFF (UK) Newco Limited ("CIFF Newco")*	England & Wales	100	(1)	-	-
Talos Capital Designated Activity Company ("Talos")	Ireland	100	(2)	7	4
CIFF Capital UK LP ("CIFF Capital")	England & Wales	100***	(3)	(418,176)	680,924
CIFF Investments LLP ("CIFF Inv")	England & Wales	100**	(4)	32,521	15,945
CIFF IP Co Limited ("CIFF IP")	England & Wales	100	(5)	(17)	(20)
CIFF Investments II Limited ("CIFF II")	England & Wales	100**	(6)	3,829	12,496
CIFF Investments III LLP ("CIFF III")	England & Wales	100**	(7)	855	5,022
CIFF General Partner Limited ("CIFF GP")	England & Wales	100	(8)	-	-
CIFF Water Limited ("CIFF Water")	England & Wales	100	(9)	(963)	(34)
86th Street Lender LLP ("86th LLP")	England & Wales	100**	(10)	(94)	274
11th Avenue Lender LLP ("11th LLP")	England & Wales	100**	(11)	(194)	(42,127)
Chiswick Riverside LLP ("Chiswick")	England & Wales	98	(12)	3,289	517

* In liquidation

** Indirect holdings

*** Economic entitlement only

- (1) CIFF Newco was a holding company for certain CIFF UK investment. In November 2021, it was placed into voluntary liquidation and the voluntary liquidator was appointed. As of 31 December 2022, the liquidation is ongoing.
- (2) Talos held an underlying investment portfolio that was managed to provide the Foundation with investment return prior to restructure in 2020. During the restructuring in 2020, investment assets held by Talos were transferred to CIFF Capital. At 31 December 2022, its total assets amounted to US\$9,916k (2021: US\$45,644k), total liabilities amounted to US\$9,889k (2021: US\$45,624k), and net assets amounted to US\$27k (2021: US\$20k).
- (3) CIFF Capital (Company Number LP019223) was formed by limited partnership deed between the Foundation, TCI General Partner Limited and TCI Fund Management Limited. It has been established to hold investment assets for the Foundation. In 2020, CIFF GP replaced TCI General Partner Limited as general partner. CIFF Capital at all times acts through CIFF GP. Between May 2020 and October 2020, it acquired all economic interests in the Foundation's endowment investment portfolio, previously held by Talos, to provide the Foundation with investment return. At 31 December 2022, its total assets amounted to US\$5,109,396k (2021: US\$6,103,580k), total liabilities amounted to US\$31,295k (2021: US\$61,328k) and net assets amounted to US\$5,078,101k (2021: net asset of US\$6,042,262k).
- (4) CIFF Inv is a limited liability partnership between CIFF Capital and CIFF II that holds certain assets from the investment portfolio. In May 2020, the participating membership in CIFF Inv was transferred by Talos to CIFF Capital and, in April 2020, the non-participating membership in CIFF Inv was transferred by CIFF Trading to CIFF II.
- (5) CIFF IP holds licenses to intellectual property rights in support of the charitable activities of the Foundation.
- (6) CIFF II holds certain assets from the investment portfolio. In May 2020, the entire issued share capital of CIFF II was transferred by Talos to CIFF Capital. CIFF Inv is also a non-participating member in CIFF Inv, CIFF III, 86th LLP and 11th LLP.
- (7) CIFF III was incorporated on 20 November 2019 by limited liability partnership deed between Talos and CIFF II to hold assets from the investment portfolio. CIFF III is a limited liability partnership between CIFF Capital and CIFF II to hold assets from the investment portfolio. In May 2020, the participating membership in CIFF III was transferred by Talos to CIFF Capital. In August 2022, it was placed into dissolution.
- (8) CIFF GP was incorporated on 19 March 2020 as a wholly owned limited company of the Foundation and in April 2020, became general partner of CIFF Capital.
- (9) CIFF Water Limited was incorporated on 18 June 2020 as a wholly owned subsidiary of the Foundation. The principal activity of CIFF Water is to purchase and lease assets to support charitable activities.
- (10) 86th LLP was incorporated on 3 September 2020 as a limited liability partnership between Talos and CIFF II and shortly thereafter acquired an interest in an endowment asset from Talos. In October 2020, the participating membership in 86th LLP was transferred by Talos to CIFF Capital. On 10 March 2022, 86th LLP disposed of its sole privately placed loan investment. The Members will assess whether to continue with 86th LLP's investment objective going forward.
- (11) 11th Ave was incorporated on 7 December 2020 as a limited liability partnership between CIFF Capital and CIFF II and shortly thereafter acquired an interest in an endowment asset from CIFF Capital. 11th Ave will continue operating for the foreseeable future. Under the loan sale agreement for the privately placed loan that was disposed of, 11th Ave gave customary representations and warranties to the purchaser, with a survival period of 12-months from the 3 December 2021 closing. As at this date the Members of 11th Ave were not aware of any breach of such representations or warranties, and as such the Members will begin a liquidation within 12 months from the end of the reporting period.
- (12) Chiswick Riverside LLP was incorporated on 3 August 2021 as a limited liability partnership between the Foundation and The CH Foundation (UK) and holds UK investment property.

14 (b) Programme Related Investments

The Foundation classified these investments as a Programme related investments ("PRI"), as the primary motivation for making the investment is not financial, but to further the objects of the Foundation.

The Foundation invested US\$0.3m (2021: US\$0.4m) in programme related investment funds during the year. These investments support the charitable objectives of the Foundation. The Foundation committed US\$23.8m, of which US\$0.3m (2021: US\$0.6m) remains outstanding to be drawn down as at 31 December 2022.

In 2021, the Foundation committed to loan US\$3m to a non-profit organisation to assist funding for a charitable programme which is aligned to the charitable objectives of the Foundation. The loan was originally contracted at 0% interest rate, however US\$nil (2021: US\$3m) remains outstanding as at 31 December 2022. The loan was repaid during 2022.

14 (c) Mixed Motive Investments

The Foundation classified these investments as a Mixed Motive Investments ("MMI"), as the investments furthers CIFF's charitable aims as well as anticipate financial returns. In accordance with CC14 (Charities and investment matters: a guide for trustees), the Foundation considered the level of private benefit to third parties created by investing to be reasonable and appropriate.

The Foundation invested US\$10.7m (2021: US\$22.2m) towards Mixed motive investments in funds. The Foundation invests in early-stage companies that have the potential and the high-level ability to address global health challenges along with climate and food and nutrition issues which are consistent with the charity's objectives. The Foundation committed US\$76.0m (2021: US\$76.0m) towards mixed motive investments, of which US\$32.8m (2021: US\$43.3m) remains outstanding to be drawn down as at 31 December 2022.

14 (d) Investment Funds

As at 31 December 2022, unquoted investments of US\$30k (2021: US\$46.5m) included an investment fund investing in development properties in India, which was written down to \$nil during the year (2021: \$43.9m). The properties are being constructed for sale.

Where the underlying assets are under construction, the fair value of the investment cannot be reliably determined, the directors are required to make their best estimate of the fair value. Where sufficient progress has been made such that a readily ascertainable market value can be obtained for the underlying assets, the investment fund is valued at fair value. Fair value is determined using a combination of valuation methodologies, including comparable precedent transactions and discounted cash flows. Key sensitivities include timing of future cash flows and the discount rate used to determine the net present value of future cash flows.

Unquoted investments also comprised US\$30k (2021: US\$2.6m) of investments in underlying assets held within an unquoted investment fund. The investments are held at market value based on the valuation report supplied by the investment fund as at 31 December 2022 with any gains and losses being taken to the SOFA.

14 (e) Loans to subsidiary

The Foundation holds a loan of US\$5.07 billion (2021: US\$5.93 billion) to CIFF Capital. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of CIFF Capital.

15. KEY INVESTMENTS AND UNCERTAINTIES

For Investments in the Group held at fair value, the Group note there may be unobservable inputs in the valuation of these investments outlined below.

The following table presents additional information about valuation techniques and significant unobservable inputs used for unlisted assets and liabilities, which are measured at fair value, as at 31 December 2022 and as at 31 December 2021:

31 December 2022					
Asset category	Valuation method	Fair value at 31 December 2022 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	1,009,917	Discount rate	6.86% to 17.71%	An increase in the discount rate would result in a lower fair value
31 December 2021					
Asset category	Valuation method	Fair value at 31 December 2021 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	1,554,960	Discount rate	6.81% to 19.26%	An increase in the discount rate would result in a lower fair value
Investment Funds	Discounted cash flow	57,575	Weighted Discount rate	18%	An increase in the discount rate would result in a lower fair value

When determining fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The valuation techniques used by the Group to determine the fair value are considered to be an income approach.

The income approach provides an estimation of the fair value of an investment based on expectations about the cash flows that the investment would generate over time. The Group used the yield calibration method to derive the discount rates of the loan investments. In applying the Yield calibration method, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the loan investment was involved in an arm's length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the investment was re-priced. In addition, inputs used under the yield calibration method include assessment of the credit spread of comparable securities and indices and changes in credit quality of the borrower as at 31 December 2021 and 2022.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The Group believes that use of different methodologies or assumptions in determining the fair value of the above financial instruments would result to immaterial changes in fair value.

The Group's reporting systems and the nature of the instruments and the valuation models do not allow it to accurately analyse the total annual amounts of gains/losses that are attributable to observable and unobservable inputs.

16. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Group's investment programme seeks to maximise the returns derived for the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance (the "Investment Programme").

The Group has appointed an Investment Manager to provide investment management services in relation to the portfolio of investments it holds. These services, as part of the investment management agreement (the "Investment Management Agreement"), include monitoring and managing the risks associated with holding such investments through the application of the Investment Programme as agreed with the Foundation's Trustees.

The Group's Investment Programme seeks to diversify its investments across a range of asset classes, industry sectors, and counterparties, and also to limit the use of leverage and off balance sheet commitments.

All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss of capital on investments carried at amortised cost is the carrying value of those investments as well as any associated accrued interest receivable. On written call options, short positions on equity and debt sold short the maximum loss of capital can be unlimited. The maximum loss of capital on written put options, equity swaps and forward foreign exchange contracts is limited to the notional contract values of those positions. For loans and securities which incorporate a future commitment there is a risk of loss of capital in excess of the carrying amount of those positions on the Consolidated Balance Sheet. The Group may be obliged to settle these commitments at a time when the investment is impaired and therefore the maximum additional loss is the total amount of commitments as disclosed in Note 23.

The Group is exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Settlement risk is the risk that a counterparty does not deliver a security or its value in cash as agreed when the security was traded after the Group has already delivered security or cash as per the trade agreement. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the custodian or counterparty, in the event of its failure, any cash balances held by the Group are at risk of being lost and the ability of the Group to transfer securities might be temporarily impaired.

With respect to the privately placed loan agreements the Group is exposed to a wide variety of operational risks specific to such investments. These risks are mitigated by the engagement of industry experts, legal advisors and independent loan servicing agents during the pre-commitment due diligence process and throughout the life of the deal.

The Group invests in readily tradeable equity securities and forward foreign exchange contracts. These investments are generally traded in active secondary markets and the time taken to exit a position and the value received would depend upon factors including the size of the position relative to the total issue size, the daily average traded volume and the prevailing market trends of the period in which the trade is executed. The Group also invests in privately traded equity securities, bank debt and loans. The market for these types of investments is illiquid and secondary market transactions are infrequent. It is more difficult to predict the time and exit price of these type of investments.

The Group's activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. In accordance with the Investment Programme, the Investment Manager uses different methods to measure and manage the various types of risk to which the Group's investments are exposed; these methods are explained below.

The outbreak of Covid-19 was declared a Public Health Emergency of International Concern by the World Health Organization in January 2020. During 2022, with the lifting of public restrictions across US and Western Europe, Covid-19 is not expected to have a significant impact on the portfolio going forward.

The Investment Manager conducts regular reviews of the loans and engages with the loan servicer to monitor progress, and may also seek expert third party opinions where required. The Trustees gain assurance from the Investment Manager through the regular review meetings, as well as the collateral assessments that are carried out on an annual basis.

Furthermore, the Group's policy is to manage price and credit risk through diversification and selection of securities and other financial instruments within specified limits set in the Investment Programme.

Market Risk

(a) Price risk

The Group is exposed to securities price risk and derivative price risk. This arises from investments held by the Group for which prices in the future are uncertain. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the US dollar, the price initially expressed in foreign currency and then converted into US dollar will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the directors of the General Partner of Cliffe Capital in the Investment Programme. The Investment Programme contains restrictions on overall market exposure (the "Exposure Policy"). The Exposure Policy regarding overall exposure states that market exposure shall not exceed 100% of the Reference NAV.

The use of the term "Reference NAV" within the risk management policies refers to the value of the net assets of the Group. The Investment Programme seeks to manage the Group's exposure to price risk by analysing the investment portfolio by industrial sector.

The table below is a summary of the sector exposures which are included in the Reference NAV for the purpose of monitoring the investment restrictions.

Sector	% of Reference NAV	
	31 December 2022	31 December 2021
Industrials	41.7%	34.0%
Real estate loans	19.3%	24.6%
Information technology	14.4%	12.2%
Financials	13.2%	6.6%
Consumer discretionary	0.0%	6.5%
Other	8.4%	11.2%
	97.0%	95.1%

The paragraph below summarises the sensitivity of the Group's equity (the "Equity Investments") to equity price movements, derived by regressing the daily returns of the Group's Equity Investments against the daily returns of the MSCI World Equity Index including net dividends reinvested (the "Index") (Bloomberg ticker "NDDUWI"), and including the effect of movements in foreign currency exchange rates on equity prices, as at 31 December 2022 and 31 December 2021.

The analysis uses the arithmetic mean of the absolute one year moves of the Index aligned with the Group's financial year as an estimate for the reasonably possible annual move in global equity prices. For 31 December 2022 this is 21.09% (2021: 11.3%). This represents the best estimate of a reasonable possible shift in the Index over a period of one year, having regard to the historical volatility of the index. As at 31 December 2022, the exposure of the Group to Equity Investments was US\$3,932,409k (2021: US\$4,208,233k).

In 2022, the beta of the Group's Equity Investments against movements in the Index was 0.63 (2021: 0.54). The figures below give an estimation of a reasonable possible change in the fair value of the Group's Equity Investments over the period of one year, using the beta value stated above.

	2022 US\$ '000	2021 US\$ '000
Predicted effect on the Group's Equity Investments of an increase in the index	522,444	258,106
Predicted effect on the Group's Equity Investments of a decrease in the index	(522,444)	(258,106)

The Index has been used as the reference point in determining the effect of price risk only. The Investment Manager does not manage the Group's investment strategy to track this index or any other index or external benchmark. The sensitivity analysis presented is based upon the Equity Investments composition as at 31 December 2022 and 31 December 2021 and the historical correlation of the returns from the securities comprising the Equity Investments to the Index returns. The composition of the Group's Equity Investments, and the correlation thereof to the Index, is expected to change over time. The sensitivity analysis prepared as at 31 December 2022 and 31 December 2021 is not necessarily indicative of the effect on the Group's investments of future movements in the level of the Index.

(b) Foreign currency risk

The Group operates internationally and holds both monetary and non-monetary assets denominated in currencies other than its functional currency, the US dollar. Foreign currency risk as defined, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The table below shows the concentration of assets and liabilities denominated in currencies other than the US dollar at 31 December 2022 and 2021 and has been analysed between monetary and non-monetary items.

31 December 2022		Non	Currency	Net
Currency	Monetary	Monetary	forward	exposure
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Australian Dollar	-	-	-	-
Canadian Dollar	617	705,903	(546,754)	159,766
Chinese Renminbi	324	-	-	324
Euro	231,396	1,541,017	(1,214,681)	557,732
Indian Rupee	623	-	-	623
Japanese Yen	-	-	-	-
Kenyan Shilling	167	-	-	167
Pound Sterling	98,655	-	(280,894)	(182,239)
Swiss Franc	326	-	(14,843)	(14,517)
New Taiwan Dollar	-	-	-	-
Poland Zloty	-	-	(43,995)	(43,995)

31 December 2021

		Non	Currency	Net
Currency	Monetary	Monetary	forward	exposure
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Australian Dollar	-	-	(17,777)	(17,777)
Canadian Dollar	662	710,460	(548,063)	163,059
Chinese Renminbi	189	-	-	189
Euro	393,070	1,495,862	(1,443,761)	445,171
Indian Rupee	987	-	-	987
Japanese Yen	-	-	(2,229)	(2,229)
Kenyan Shilling	92	-	-	92
Pound Sterling	189,057	-	(504,636)	(315,579)
Swiss Franc	330	-	(15,512)	(15,182)
New Taiwan Dollar	-	(222)	-	(222)
Poland Zloty	-	-	(46,190)	(46,190)

The following table shows the 260 day historical volatility rates between the US dollar and a range of currencies. These rates provide a best estimate of a potential move in the exchange rate over a period of 12 months as at the statement of financial position date.

	2022%	2021%
Historical volatility rates	13.66	9.00
Australian Dollar	8.37	7.01
Canadian Dollar	-	-
Chinese Renminbi	10.06	5.72
Euro	-	-
Indian Rupee	12.08	5.54
Japanese Yen	-	-
Kenyan Shilling	12.49	6.53
Pound Sterling	9.35	6.51
Swiss Franc	5.18	3.38
New Taiwan Dollar	15.46	8.71
Poland Zloty		

The following table summarises the amount of the increase/(decrease) in net assets arising from an increase/ (decrease) of the exchange rate in line with the above volatility rates, with all other variables held constant. The analysis below presents the changes in net assets for each currency in their absolute values.

	2022	2021
Change in net assets	US\$ '000	US\$ '000
Australian Dollar	-	(1,600)
Canadian Dollar	13,372	11,430
Chinese Renminbi	-	-
Euro	56,108	25,464
Indian Rupee	-	-
Japanese Yen	-	(123)
Kenyan Shilling	-	-
Pound Sterling	(22,762)	(20,607)
Swiss Franc	(1,357)	(988)
New Taiwan Dollar	-	(8)
Poland Zloty	(6,802)	(4,023)

(b) Foreign currency risk(continued)

The objective of the Group's currency risk management policy is to allow the Group to retain its purchasing power and minimise the risk that its purchasing power is reduced as a result of foreign exchange rate fluctuations. The investment process focuses on fundamental and systematic factors. The Investment Manager monitors the currency risk on an ongoing basis and reports to the Finance, Audit and Investment Committee on a quarterly basis.

(c) Interest rate risk

The Group holds liquid, interest-bearing assets and liabilities such as cash and brokerage accounts, where changes in interest rates would change the amount of interest received or paid in relation to these balances.

The Group's investments in loans are carried at fair value. In determining fair value, the Group uses discounted cash flow techniques and recognises income at a rate based upon the effective interest rate of all expected cash flows over the life of the loan. For all loan investments, the discount rate used in the fair valuation model is calibrated against movements in market interest rates and changes in credit quality of the borrower.

The following table summarises the Group's exposure to interest rates. It includes the Groups asset and liabilities, categorised by the earlier of contractual re-pricing and maturity dates. The sensitivity analysis presented is based upon the composition of the Group's asset and liabilities at 31 December 2022 and 31 December 2021 and is not necessarily indicative of the effect on the Group's asset and liabilities of future movement in interest rates.

	< 3 months	3 months - 1 year	> 1 year	Non- interest rate sensitive	Non- interest bearing	Total
31 December 2022	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	181,738	-	-	-	-	181,738
Cash pledged as collateral	332	-	-	-	-	332
Investment assets/(liabilities)	-	-	-	1,009,917	4,108,950	5,118,867

	< 3 months	3 months - 1 year	> 1 year	Non- interest rate sensitive	Non- interest bearing	Total
31 December 2021	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	424,160	-	-	-	-	424,160
Cash pledged as collateral	14,770	-	-	-	-	14,770
Investment assets/(liabilities)	-	-	-	1,554,960	4,344,161	5,899,121

Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is also exposed to concentration risk and reviews the credit concentration of debt securities held based on counterparties and industries.

The Group's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Group's credit risks arise principally through exposures to corporate debt investments, loans, bank deposits, and derivative counterparties.

All of the loan investments held by the Group are secured in most cases against physical assets including real estate and property. The value of the security relating to a loan investment may become equal to or less than the value of the loan that it secures. Accordingly, in the event of a default the Group may incur a loss after all costs relating to obtaining and selling secured assets have been taken into account. Although the Group monitors the value of the secured assets on a periodic basis, as there is no active market for the positions, their risk is managed on an exposure basis, with not more than 55% of the Reference NAV to be drawn under loans classified as Real Estate Debt (as outlined in the Investment Management Agreement). Due to the illiquid nature of such loans and the variety of risks attached including property development and concentration risk, significant losses could arise.

Loans

At 31 December 2022, the Group held investments in loans valued at US\$1,009,917k (2021: US\$1,554,960k). The key risk relating to each of these loans is the possibility that the borrower will not repay the interest and principal relating to the loan in full. To protect the Group against this possibility of default, security is sought from the borrower over assets worth more than the value of the loan outstanding. This security normally takes the form of prime real estate assets in developed markets. The Group monitors the value of the assets pledged as security by engaging independent experts to provide valuations on the assets on a periodic basis and considers metrics such as loan-to-value or loan-to-commitment ratio.

Through the assets against which the loans are secured, the Group has an indirect exposure to reductions in asset valuations as a result of a market crash or other tail events. This may result in the amount lent under a loan being greater than the value of the secured assets and increase the probability of the loans going into default.

The Group is also protected by covenants built into its loan agreements which require immediate repayment in the event that the borrower breaches certain covenants. These are agreed on a loan-by-loan basis at the origination of each deal and may include metrics such as loan-to-value ratio, interest cover and other performance based metrics. As of 31 December 2022, the borrowers under a privately placed loan investment held by a ClIFF subsidiary was in breach of its loan covenants (2021: one loan). The subsidiary has reserved its rights against the borrower with regard to the breaches, and has chosen not to accelerate the loan but will continue to work with the borrower in order to allow for the ongoing sale of residential units and the resulting pay-down of the loan.

The privately placed loan investment held by 86th Street Lender LLP was disposed on 10 March 2022. As a result of this disposal, on 10 March 2022, ClIFF Capital received a distribution of US\$56,505,602. There is a claim against the guarantors for the remaining amount.

The Group also seeks to obtain certain guarantees from credit worthy affiliates of the borrower. Guarantees for 'completion', 'carry' and 'recourse obligations' guarantee (i) the lien-free completion of the relevant project (or the payment of an equivalent amount to the lender to allow it to complete), (ii) the payment of carry costs until the earlier of loan repayment and completion (including interest and costs) and (iii) any losses incurred by the lender as a result of specified acts of the borrower or related parties. The relevant guarantors are usually required to satisfy a minimum net worth and liquidity covenant.

Counterparty credit risk

The Group is also exposed to counterparty credit risk through the trading of derivative products, cash and cash equivalents, cash pledged as collateral, amounts due from brokers and other receivable balances. One element of counterparty credit risk is the monitoring of the credit ratings of parties where all material amounts due from brokers, cash and short-term deposits are held by parties with a credit rating A1/A.

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2022:

Counterparty	Credit rating at 31 December 2022		Credit exposure 31 December 2022	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	159,138	2.99%
JP Morgan Chase	Aa2	A+	25,017	0.47%
UBS AG	Aa3	A+	54	-
Barclays Bank	A1	A	-	-
ABSA Group Limited	Ba3	zaAA	167	-
Wells Fargo Bank N.A.	Aa2	A+	-	-
Citico Bank Nederland NV	N/A	N/A	217	-
Awash Bank	N/A	N/A	22	-
			184,615	3.46%

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2021:

Counterparty	Credit rating at 31 December 2021		Credit exposure 31 December 2021	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	415,305	6.53%
JP Morgan Chase	Aa2	A+	9,636	0.15%
UBS AG	Aa3	A+	32	-
Barclays Bank	A1	A	9,670	0.15%
ABSA Group Limited	Ba1	zaAA	92	-
Wells Fargo Bank N.A.	Aa2	A+	2	-
Citico Bank Nederland NV	N/A	N/A	181	-
Awash Bank	N/A	N/A	7	-
			434,925	6.83%

Credit risk is also managed by a policy contained in the Investment Programme to maintain exposures to any one counterparty to less than 15% of its Reference NAV.

In the event of any breach of the above restrictions not remedied within 3 business days of the date of such breach, the Foundation management shall in their sole discretion determine the action and will seek to achieve, where practicable, a rectification of the breach within a reasonable timeframe and/or a commercial economic advantage.

In addition, the Group also restricts its exposure to credit losses on the trading derivative instruments it holds by including netting agreements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. These netting provisions do not result in an offset on the Consolidated Balance Sheet, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by netting to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The Group's overall exposure to credit risk on derivative instruments subject to a netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the counterparty has received payment. Payment is made on a purchase once the securities have been received by the Group. The trade will fail if either party fails to meet its obligation.

The Group has appointed HSBC Bank plc ("HSBC") as custodian and prime broker and provider of other services (including financing) under the terms of the HSBC Prime Custody Agreement. HSBC will act as banker, custodian and prime broker of the cash and securities delivered to HSBC and will be responsible for receipt and disbursement of cash on behalf of the Group, for the receipt and safe custody and registration of securities of the Group and for the transfer of securities for the Group. The Group has both a custody and collateral account with HSBC. HSBC will also provide financing and securities lending to the Group pursuant to the HSBC Prime Custody Agreement. The collateral required to support any financing, securities lending or other exposure of HSBC to the Group will be held in the collateral account with HSBC in the name of the Group. At 31 December 2022, 98% (2021: 99%) of cash and cash pledged as collateral and investments were placed in custody with HSBC.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

The Group has a global custody agreement with JP Morgan which gives JP Morgan a lien over and right of set-off against the assets held by it for the Group.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group is exposed to the daily settlement of margin calls on derivatives and settlement of funding requests on loans with an unfunded commitment (see Note 2(f) accounting policy on "Unfunded Commitments" for further details).

The Investment Manager monitors the Group's liquidity position on a daily basis, and in accordance with agreed risk framework reports to the Group on a monthly basis. The liquidity report has been designed to confirm that the Group has sufficient resources to cover projected outflows in a stress scenario given preset liquidity haircuts for each asset class.

As part of the management of liquidity risk, the Investment Programme prescribes a limit to the amount of unfunded commitments as a certain percentage of its Reference NAV.

The Group's main sources of liquidity are listed equity securities, actively traded corporate debt and cash deposits. The asset class investment restrictions ensure a proportion of the Group's assets are invested in these types of assets, which can be readily disposed.

The Group may also invest in derivative contracts that are traded over-the-counter, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Group may not be able to quickly liquidate these investments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The below tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the maturity date.

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2022						
Creditors: amounts falling due within one year	172,647	3,032	35,274	-	-	210,953
Creditors: amounts falling due in more than one year	-	-	-	147,973	-	147,973
Total liabilities	172,647	3,032	35,274	147,973	-	358,926

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2021						
Creditors: amounts falling due within one year	201,925	25,759	29,665	-	-	257,349
Creditors: amounts falling due in more than one year	-	-	-	223,865	-	223,865
Total liabilities	201,925	25,759	29,665	223,865	-	481,214

Uncertain liabilities, which are not recognised on the Balance Sheet, are not included in the table above for the purpose of analysing the Foundation liquidity risk.

Uncertain liabilities

As disclosed in Note 14, the Group has invested in loans and securities which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2022 have been estimated as US\$462,973k (2021: US\$629,904k).

17. DEBTORS

	Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
Dividends receivable	734	1,616	-	-
Amounts due from brokers	3,790	3,481	-	-
Other debtors	1,478	8,706	496	240
Amounts due from related parties	-	-	4,540	2
Prepayments	822	768	461	751
Total	6,824	14,571	5,497	993

The amounts due from brokers includes cash from forward foreign exchange contracts closed but awaiting settlement, cash from trades sold but which have not yet settled and interest receivable.

18. CASH AT BANK AND IN HAND

Cash at bank includes amounts due from the Group's custodian and other counterparties, on demand and interest bearing deposits with original maturities of less than 3 months.

Cash pledged as collateral includes collateral balances held at year end with the Group's custodian and prime broker and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin exposures at the year end date.

The total of cash at bank and cash pledged as collateral is shown on the face of the Consolidated Balance Sheet and the movement reflected within the Consolidated Cash Flow Statement.

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2022:

Group	Cash and cash equivalents 31 Dec 2022 US\$ '000	Cash pledged as collateral 31 Dec 2022 US\$ '000	Cash at bank and in hand 31 Dec 2022 US\$ '000	Amounts due from brokers 31 Dec 2022 US\$ '000	Amounts due to brokers 31 Dec 2022 US\$ '000	Net counterparty position 31 Dec 2022 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	156,261	332	156,593	3,790	(1,245)	159,138
Other counterparties						
JP Morgan Chase	25,017	-	25,017	-	-	25,017
UBS AG	54	-	54	-	-	54
Barclays Bank	-	-	-	-	-	-
ABSA Group Limited	167	-	167	-	-	167
Wells Fargo	-	-	-	-	-	-
Citico Bank Nederland NV	217	-	217	-	-	217
Awash	22	-	22	-	-	22
Total	181,738	332	182,070	3,790	(1,245)	184,615

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2021:

Group	Cash and cash equivalents 31 Dec 2021 US\$ '000	Cash pledged as collateral 31 Dec 2021 US\$ '000	Cash at bank and in hand 31 Dec 2021 US\$ '000	Amounts due from brokers 31 Dec 2021 US\$ '000	Amounts due to brokers 31 Dec 2021 US\$ '000	Net counterparty position 31 Dec 2021 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	404,540	14,770	419,310	3,481	(7,486)	415,305
Other counterparties						
JP Morgan Chase	9,636	-	9,636	-	-	9,636
UBS AG	32	-	32	-	-	32
Barclays Bank	9,670	-	9,670	-	-	9,670
ABSA Group Limited	92	-	92	-	-	92
Wells Fargo	2	-	2	-	-	2
Citico Bank Nederland NV	181	-	181	-	-	181
Awash	7	-	7	-	-	7
Total	424,160	14,770	438,930	3,481	(7,486)	434,925

The following table shows the breakdown of the cash and cash equivalents of the Foundation held with counterparties as at year end:

Foundation	Cash and cash equivalents 31 Dec 2022 US\$ '000	Cash and cash equivalents 31 Dec 2021 US\$ '000
HSBC Bank plc	42,942	44,884
JP Morgan Chase	19,623	9,631
ABSA Bank	167	92
Barclays Bank plc	-	9,670
Awash Bank	20	7
	62,752	64,284

19. CREDITORS: amounts falling due within one year

	Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
Amounts due to brokers	1,245	7,486	-	-
Grants	158,886	172,777	158,886	172,777
Creditors	6,399	46,638	6,116	1,136
Loans	-	-	-	569,992
Derivative financial instrument liabilities	14,430	17,646	-	-
Accruals and deferred income	29,880	12,618	11,195	12,575
Taxes and social security costs	113	184	113	184
	210,953	257,349	176,310	756,664

The amounts due to brokers include cash from trades purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

20. CREDITORS: amounts falling due after one year

	Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
Creditors payable between 1 and 2 years	75,973	79,266	72,000	73,000
Creditors payable between 2 and 5 years	72,000	144,599	72,000	144,000
Creditors payable after 5 years	-	-	-	-
	147,973	223,865	144,000	217,000

21. MOVEMENT IN FUNDS

Group	Balance as at 31 Dec 2021 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds ² US\$ '000	Balance as at 31 Dec 2022 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	-	(488,401)	-	(971)	-	489,372	-
Designated funds	950,853	-	-	-	-	-	(36,532)	914,321
Restricted income funds	8,099	20,756	(17,554)	-	-	-	(3,074)	8,227
Expendable endowment fund	4,922,190	51,101	-	(477,397)	-	(10,014)	(449,766)	4,036,114
Total funds	5,881,142	71,857	(505,955)	(477,397)	(971)	(10,014)	-	4,958,662

Group	Balance as at 31 Dec 2020 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds ² US\$ '000	Balance as at 31 Dec 2021 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	-	(844,684)	-	(456)	-	845,140	-
Designated funds	642,579	-	-	-	-	-	308,274	950,853
Restricted income funds	6,711	4,290	(2,902)	-	-	-	-	8,099
Expendable endowment fund	5,356,222	24,468	-	694,914	-	-	(1,153,414)	4,922,190
Total funds	6,005,512	28,758	(847,586)	694,914	(456)	-	-	5,881,142

(1) Reserves retained by subsidiary undertakings and general unrestricted funds are disclosed in total in the tables above and total US\$90,290k (2021: US\$135,653k).

(2) Transfers between funds relate to transfers from the expendable endowment to meet charitable expenditure and reflect funds earmarked to fund approved multi-year programmes.

Foundation	Balance as at 31 Dec 2021 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2022 US\$ '000
Unrestricted							
Income funds	-	30,861	(474,453)	-	(1,118)	444,710	-
Designated funds	950,853	-	-	-	-	(36,532)	914,321
Restricted income funds	-	20,756	(17,554)	-	-	(3,202)	-
Expendable endowment fund	4,930,877	-	-	(480,288)	-	(404,976)	4,045,613
Total funds	5,881,730	51,617	(492,007)	(480,288)	(1,118)	-	4,959,934

Foundation	Balance as at 31 Dec 2020 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2021 US\$ '000
Unrestricted							
Income funds	-	11,428	(825,312)	-	(261)	814,145	-
Designated funds	642,579	-	-	-	-	308,274	950,853
Restricted income funds	-	4,290	(4,290)	-	-	-	-
Expendable endowment fund	5,361,390	-	-	691,906	-	(1,122,419)	4,930,877
Total funds	6,003,969	15,718	(829,602)	691,906	(261)	-	5,881,730

As at 31 December 2022, the Trustees have allocated US\$914,321k (2021: US\$950,853k) of reserves as designated funds which represents funds that may be called upon to be disbursed to multi-year programmes.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The table below presents the allocation of the group balance sheet across the three different categories of funds. For further details of the funds, refer to page 37.

	Expendable Endowment US\$ '000	Unrestricted Funds- Designated US\$ '000	Restricted Funds US\$ '000	Total 31 Dec 2022 US\$ '000	Total 31 Dec 2021 US\$ '000
Intangible assets	-	500	-	500	500
Tangible assets	-	1,114	8,213	9,327	9,234
Investments	4,098,099	1,020,768	-	5,118,867	5,899,121
Other assets	120,631	68,249	14	188,894	453,501
Liabilities	(182,616)	(176,310)	-	(358,926)	(481,214)
	4,036,114	914,321	8,227	4,958,662	5,881,142

23. COMMITMENTS

At 31 December 2022, the Group had outstanding commitments of US\$32,756k (2021: US\$43,347k) in relation to the unquoted investments held within the investment portfolio.

The Group has also invested in loans which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2022 have been estimated as US\$462,973k (2021: US\$629,904k).

The investment commitments are funded by the Foundation and are spread out over the life of the investments.

24. OPERATING LEASES

The total rent charged as an expense in the SOFA, is disclosed below:

	Group Year ended 31 Dec 2022 US\$ '000	Group Year ended 31 Dec 2021 US\$ '000	Foundation Year ended 31 Dec 2022 US\$ '000	Foundation Year ended 31 Dec 2021 US\$ '000
Rent	1,588	1,716	1,583	1,711

The Group had commitments to future minimum lease payments under non cancellable operating leases at the year end as follows:

	Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
Land and Building				
Less than one year	1,337	1,429	1,331	1,423
Between one and five years	3,681	3,886	3,675	3,875
More than five years	-	447	-	447
	5,018	5,762	5,006	5,745

Includes a commitment under an operating lease with TCI Fund Management (UK) Limited to pay rentals during the period following the period of these accounts of US\$683k (2021: US\$765k) and US\$2,449k between one and five years following the period of these accounts (2021: US\$3,062k).

The total rental income included within the SOFA, is disclosed below:

	Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
Rental income	3,961	1,685	-	-

The Group is a lessor of UK investment property. The total non-cancellable future minimum lease payments expected to be received are:

	Group 31 Dec 2022 US\$ '000	Group 31 Dec 2021 US\$ '000	Foundation 31 Dec 2022 US\$ '000	Foundation 31 Dec 2021 US\$ '000
Less than one year	3,965	4,338	-	-
Between one and five years	16,262	18,067	-	-
More than five years	36,282	45,344	-	-
	56,509	67,749	-	-

On 11 August 2021, the Group acquired 98% of the freehold of a property in Chiswick, UK. The freehold acquired is leased to a third party. The lease commenced on 1 July 2008 with a lease term of 25 years and is due to expire on 30 June 2033. It includes a provision for an annual rent review every 13th of July. The rent concession period will end on 13 May 2024 and there will be no change to rental income terms after this date.

25. RELATED PARTIES

Investment Manager

TCI Fund Management Limited ("TCI FM") acts as investment manager to certain members of the Group. TCI FM, and its various group entities, are ultimately controlled by Sir Christopher Hohn, a member and trustee of CIFF.

TCI FM is not entitled to any fee for these investment management services. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to TCI FM and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital UK LP, which acts as the new main investment holding company of the CIFF Group.

During 2022, an amount of US\$918k (2021: US\$794k) was charged to entities within the Group from TCI FM, in relation to expenses incurred by TCI FM on behalf of the CIFF Group investment portfolio, mainly consisting of research fees incurred by TCI FM for the benefit of CIFF with third parties, of which US\$65k remained payable as at 31 December 2022 (2021: US\$nil).

Furthermore, for the year ended 31 December 2022 CIFF was also charged US\$1,004k (2021: US\$1,144k) by TCI's holding company, TCI Fund Management (UK) Limited, in respect of rent and associated property costs, of which US\$248k remained payable as at 31 December 2022 (2021: US\$nil).

Donations

During 2022, TCI FM made restricted donations of US\$14,560k (2021: US\$2,208k) to support the charitable activities of the Foundation. As at 31 December 2022, TCI FM had committed additional restricted funding of US\$25,704k (2021: US\$18,431k) to be paid in future years and have agreed to donate US\$160m unrestricted funding (2021: US\$nil) to be paid in 2023.

Sir Christopher Hohn is also the founder and trustee of the CH Foundation (UK) which during 2022 made restricted donations to the Foundation of US\$2,854k (2021: US\$1,800k). As at 31 December 2022, the CH Foundation (UK) had committed additional restricted funding of US\$6,256k (2021: US\$9,110k) to be paid in future years.

The remuneration of the Key Management Personnel is set out in Note 10.

Subsidiary director fees

During the year, directors' fees of US\$14k (2021: US\$22k) for Jackie Gilroy were charged to Talos, and fees of US\$135k (2021: US\$133k) for Jackie Gilroy, Sonia Gogna, William Gourlay, Jonathan Watts and Tristan van der Vijver were charged to CIFF GP. No other directors of CIFF subsidiaries were entitled to fees.

Legal fees

During 2021, the Supreme Court ordered the Foundation to pay the legal costs of Dr Marko Lehtimäki, Ms Jamie Copper and the Attorney General arising from their involvement in the proceedings, Lehtimäki and others v Cooper – UKSC 2018/0150. The Foundation settled these orders as follows: an amount of \$1,062k relating to Dr Lehtimäki's costs was paid in January 2022; an amount of \$1,983k relating to Ms Cooper's costs was paid in January 2022; and an amount of £250k has been set aside in reserve in respect of the Attorney General's costs in the event that a claim is made by the Attorney General.

Common trustees

In the normal course of charitable granting, there can be instances where the grants to charities that have trustees in common with the Foundation. The Foundation does not disclose grants to these charities as related party transactions, as the trustees are part of a collective of non-related trustees and are not considered to be in a significant position of influence. The Trustees are satisfied that appropriate procedures are in place to ensure that any potential conflicts of interest are appropriately managed and avoided.

Other transactions with Group companies

The Foundation has taken advantage of the exemption contained in FRS 102, paragraph 33A, not to disclose other transactions with group companies as all are wholly owned subsidiaries of the Foundation and the consolidated financial statements are publicly available. Copies can be requested from the company secretary.

26. SERVICE PROVIDERS

Administrator

Group entities have entered into administration agreements with the Administrator, Citco Fund Services (Ireland) Limited. The Administrator receives from Group entities a monthly administration fee which is calculated as a percentage of Adjusted Assets on a sliding scale. The total administration fee for the year was US\$1,941k (2021: US\$1,984k), of which US\$155k (2021: US\$169k) was payable at year end.

Custodian and Prime Broker

The Group has a custody agreement with HSBC. The Group retains beneficial ownership of assets held by HSBC. Cash and securities deposited with HSBC are repayable on demand. In addition, the Group's cash held with HSBC will be segregated from HSBC's own cash. HSBC is not permitted to utilise, re-hypothecate or otherwise appropriate the assets of the Group, however HSBC will acquire a security interest in any assets that are provided as collateral to HSBC by the Group.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

The Group has a global custody agreement with JP Morgan which gives JP Morgan a lien over and right of set-off against the assets held by it for the Group.

Intermediary

AVE Capital Limited (AVE) is engaged to provide intermediary services in relation to bringing together ClIFF Capital and other ClIFF subsidiaries, as the lending party, with third parties, as the borrowing parties, in potential real estate debt transactions pursuant to the terms of an intermediary services agreement signed in October 2020. None of TCI FM, Christopher Hohn or any other parties related to them have any financial interest in AVE. Group entities pay fees to AVE Capital Limited in relation to the intermediary services (the Intermediation Fee). The total Intermediation Fee charged to the SOFA for the year was US\$6,285k (2021: US\$10,805k), with US\$22,548k payable as at 31 December 2022 (2021: US\$41,025k).

Investment Manager

TCI FM is not paid any fee for investment management services to ClIFF. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to the Investment Manager and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to ClIFF.

27. POST BALANCE SHEET EVENTS

In April 2023, unrestricted funding of \$80m was received from TCI FM per funding disclosed in note 25. In May 2023, the Group has entered into a new commitment of \$156,533k in a Real Estate Investment Fund. The initial commitment may rise to the lesser of \$500m or 25% of the funds raised.

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Children's Investment Fund Foundation (UK), a charitable company limited by guarantee (without a share capital) incorporated in England and Wales. Pursuant to article 7 of the Foundation's Articles of Association, every member promises that if the charitable company is dissolved while he, she or it remains a member or within 12 months afterwards, to pay up to one pound sterling towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.

The Foundation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of the Foundation is available from the Company Secretary at 7 Clifford Street, London, W1S 2FT

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

GROUP INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

CONSTITUTION	A Company limited by guarantee and an English registered charity governed by its Memorandum and Articles of Association
COMPANY NUMBER	4370006
REGISTERED CHARITY NUMBER	1091043
TRUSTEES	Sir Christopher Hohn Mr Ben Goldsmith Mr Masroor Siddiqui Ms Ana Weichers Marshall Dr Marko Lehtimäki
REGISTERED OFFICE	7 Clifford Street London W1S 2FT
COMPANY SECRETARY	Bradley Duncan 7 Clifford Street London W1S 2FT England
BANKERS	HSBC Bank plc Level 18 8 Canada Square London E14 5HQ
SOLICITORS	Mills & Reeves LLP Botanic House 100 Hills Road Cambridge CB2 1PH
INDEPENDENT AUDITORS	KPMG 1 Harbourmaster Place Dublin 1, Ireland
INVESTMENT MANAGER	TCI Fund Management Limited 7 Clifford Street London W1S 2FT England

Accounts

**THE CHILDREN'S INVESTMENT FUND
FOUNDATION (UK) ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**



**The Children's Investment Fund
Foundation (UK) Annual Report**

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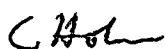
Founder's Message

When founding CIFF in 2002, my aim was to address the significant injustices that affect the lives of children in low- and middle-income countries. While we deploy a rigorous approach to grant-making, the driving mission behind CIFF is not of the mind, but of the heart. For over 20 years, our approach as a philanthropy has been to combine our mission with a laser-focus on impact, to ensure that when we fund programmes, the communities we're serving truly benefit. I am excited to share this year's Annual Report which demonstrates this impact in action.

Our work with grantees in 2021 includes many examples of problems that are simple in concept but complicated in practice - they require an entrepreneurial mindset from CIFF staff and partners. From getting services back on track to deliver sight-saving trachoma surgeries in Ethiopia after the disruption of Covid-19, to helping ensure that micronutrients – an intervention proven to reduce the prevalence of low-birth-weight babies – are recommended in WHO guidelines for pregnant women, CIFF has the privilege of working with partners to support the implementation of complex solutions to difficult challenges. The highlights from this year also demonstrate the importance of long-term partnership. The successes achieved at COP this year, for instance, were only made possible through years of actions and collaboration between our network of tireless partners, many of whom I had the privilege to meet in person in Glasgow.

We face a huge amount of uncertainty in the world today, but that strengthens my resolve more than ever. Climate change is the most urgent and complex challenge the world faces. We are already seeing its impact, but under the current status-quo it's inevitable that large parts of the world will become uninhabitable in the years to come. For all our work on health, nutrition, Sexual & Reproductive Health and Rights (SRHR) and girls' empowerment to make a difference, we also need to address the climate elephant in the room. I believe that CIFF can have an impact on a global scale and looking forwards, I want us to meaningfully address all problems we work on at their root cause. CIFF's CEO, Kate Hampton and I, therefore, continue to work with determination in furthering our vision for a kinder, greener world that enables children to thrive.

None of our impact to-date would be possible without the commitment of CIFF's trustees, advisors, staff and co-funders, as well as our grantees and partners, over the past 20 years – I welcome the continued opportunity to work together over the next 20 years.



Sir Christopher Hohn
Founder and Chairman
30 June 2022

CEO's Message

2021 was a highly anticipated year for CIFF staff and grantees as it marked the delayed COP26 summit and Generation Equality Forum, and promised to be the start of efforts to recover from the pandemic. Despite this promise, the impacts of the pandemic continued to put further pressure on childhood indicators and we saw a rebound to record levels of energy-related carbon dioxide emissions. Hopes of 'building back better' are fading as multiple crises - pandemic, conflict and climate change - and their socio-economic impacts combine and the fallout of Covid-19 had already resulted in what the head of the IMF has described as a "great divergence" between wealthier and poorer economies.

In this context, the work of our grantees in 2021 was more vital than ever. This was reflected in our new multi-year commitments, with 2021 marking CIFF's highest ever level of grant-making, an increase of over 100% from 2020 to \$772 million. Our desire to step up was motivated by an alarming and sudden shortfall in funding to essential programmes in Sexual & Reproductive Health & Rights (SRHR), Neglected Tropical Diseases (NTDs) and nutrition due to the shrinking aid budgets of wealthier donor countries, most significantly the UK's reduced aid target from 0.7 to 0.5% of GNI. Moreover, with the outcome of COP26 hanging in the balance, CIFF was also able to provide a surge in climate funding, well beyond our original 2021 Business Plan forecast, including to target the private financial flows from companies, banks and asset managers that are fuelling emissions growth.

Throughout the year, we had the privilege of continuing to work with extraordinary partners to fulfil our charitable objectives. Despite significant headwinds, the successes achieved with these partners at COP, at GEF and across all our programmatic work are evident throughout this Annual Report. Partnership has always been key to our approach, but moving forwards we will do even more to put strategic relationships at the centre of our efforts to solve problems, whether aligning around a practical common purpose or combining voices on the urgent challenges we face as a human family. We continue to enable more locally-led grant-making, with strategy increasingly being led from our offices in Addis Ababa, Beijing, Delhi and Nairobi, and strive with determination for greater diversity, equity and inclusion in all aspects of our work.

At the time of writing, the headlines in Europe are dominated by the disastrous Russian invasion of Ukraine. Adding to existing inflationary pressures, the increase in energy and food prices associated with the conflict has created cost-of-living challenges worldwide, with ever-greater numbers of vulnerable people facing food insecurity and energy poverty. If ever one were needed, this conflict should provide yet another clarion call to accelerate the global exit from fossil fuels and increase our collective determination to protect the most vulnerable.

I hope that through our work at CIFF we will be able to play a part in this. Through meaningful collaboration, our aim is to have a positive impact on the lives of children and young people in 2022 and create a better future for the generations of children to come.



Kate Hampton
CEO
30 June 2022

Trustees' Report

At a Glance: Portfolio Highlights

CIFF's strategies are delivered by our network of exceptional partners, who we are proud to fund and with whom we are excited to work on strategy and programme design. Some of the highlights in 2021 include:

COP26 marked the culmination of several years' work for many of our partners, who turned out in force in Glasgow to demand that world leaders agree to new targets and new actions to keep the 1.5°C goal alive. Countries left having agreed a new ratchet mechanism to increase the ambition of pledges every year but were found wanting when it came to finance for developing and climate-vulnerable countries.

The landmark Generation Equality Forum (GEF) secured a total of \$40 billion in commitments to drive progress on gender equality, including significant new commitments for SRHR. Key successes included the launch of SEMA, a new partnership designed to build more resilient SRH markets, and the production of the Africa Young Women Beijing +25 Manifesto, led by CIFF's partner Nala Feminist Collective, which had 8 of its 10 policy demands integrated into the official GEF Action Coalition blueprints.

In 2021, our partners rolled out India's first and largest skilling and employment impact bond. In this first-of-its-kind bond, the impact will be measured not by the inputs (how many women and girls receive skilling) but by the ultimate results (how many become engaged in long-term employment). This was led by the British Asian Trust and in collaboration with India's National Skill Development Corporation (NSDC), with CIFF as an outcome funder.

CIFF and UNICEF together launched a \$100 million partnership to End Child Wasting, building on the Global Action Plan (GAP) on Wasting. In 2021, 22 countries that are part of GAP and have the highest burden of wasting developed roadmaps to bring together prevention, early detection and treatment. CIFF and UNICEF's Match Fund allows these countries to unlock funding support – for every dollar, naira or shilling each country invests in nutrition, the fund will match it.

CIFF responded to the unprecedented shortfall in funding for SRHR and NTDs, due to shrinking financial commitments from donors most significantly the UK's reduced aid target. To protect those in urgent need, CIFF partnered with the Bill and Melinda Gates Foundation, ELMA and other philanthropies, to make an emergency commitment of \$130 million to these areas, aiming to stabilise activities, ensure progress is not lost, and mobilise additional domestic and international funding.

Trustees' Report

At a Glance: Financial Highlights



\$772m

Charitable Investment Approved

CIFF approved \$772 million of charitable investments in 2021. The exceptional level of approvals means we expect disbursements to increase further in coming years.



\$468m

Grant Disbursements

CIFF disbursed grants of \$468 million in 2021. Grant disbursements increased in 2021 by \$124 million compared to 2020.



8%

Operating Expenses

The Foundation's disbursements increased at a higher rate compared to operating expenditure in 2021, bringing the ratio of these costs to grant disbursements down to 8%.

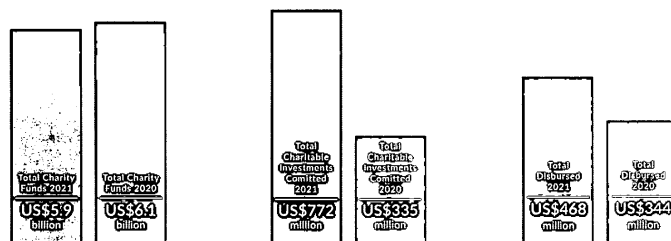


\$5.9bn

Endowment

Investment returns and income from our endowment assets remained strong in 2021, however expenditure slightly outweighed income resulting in a marginal reduction of the endowment to \$5.9 billion. The size of the original endowment and the excellent investment returns achieved over the years gives us the financial strength and stability to make substantial long-term commitments to the work of our grantees.

At a Glance: 2021 Charitable Activities



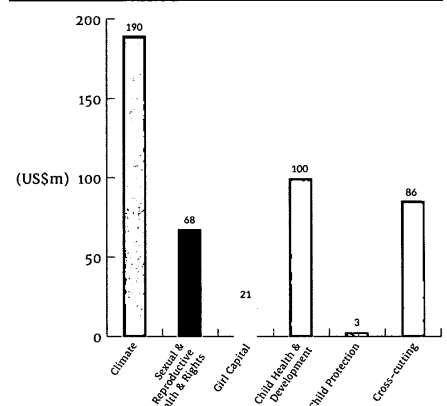
Investment Regions – Distribution of charitable grant payments



The map represents grant distributions by location of grantee activity.

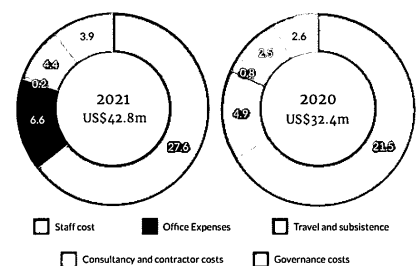
Note: Regional data for grant disbursements of \$2m is not available and therefore has been excluded from the diagram

Charitable grant payments by sector (US\$m)



Total grant payments US\$468m

Support cost by type – 2021 and 2020



Climate Change

Climate Change

CIFF is committed to accelerating solutions that will mitigate climate change, to keep the 1.5°C target a reality and create a climate-safe future for current and future generations. For CIFF, along with our partners in the wider climate community, 2021 was a critical year. The publication of the UN's IPCC report in August provided a global reality check, showing that climate change is widespread and intensifying, with the impacts already being felt across the world. COP26 was the first litmus test on the Paris agreement, cutting across all our climate strategies, from energy and air quality to food systems and finance.

As part of our expanding ambition on climate and in line with our localisation drive, CIFF strengthened its teams in Beijing, Delhi, Nairobi and Addis Ababa with additional hires in all locations. We also added a director with a regional focus on South-East and East Asia, based out of Seoul.

Net Zero and Climate Action Plans

A key goal of CIFF's work on **climate finance** has been to ensure the integrity of corporate and financial Net Zero pledges. CIFF worked with partners and supported direct advocacy which helped unlock a new UN expert group tasked with defining standards for credible non-state Net Zero pledges. This was a major announcement from the UN Secretary-General at COP26 and CIFF will now play a key role with partners in helping to establish this group.

More broadly, throughout the year CIFF supported several other key initiatives to move corporate and financial climate targets from **voluntary to regulatory**, and from **2050 net-zero pledges to short-term climate action plans**. These include the International Sustainability Standards Board (ISSB) common disclosure standard under the International Financial Reporting Standards (IFRS), the Voluntary Carbon Markets Integrity Initiative (VCMI) to ensure activity under carbon markets becomes an enabler of more ambition on corporate and country transition plans in their pathway towards regulation, as well as the UK Treasury Transition Plan Taskforce which will define the gold standard for mandatory disclosure of short-term plans.

To accelerate this regulatory process, CIFF is supporting **strategic litigation** against heavy emitters and financial institutions to force 1.5°C-aligned

conduct. This builds on the historic Shell victory - which drew upon data from CIFF's partner CDP - where the oil giant was ordered to halve its emissions by 2030. Accompanying this have been successful challenges to fossil fuel infrastructure, including ClientEarth's win against a petrochemicals plant in Belgium and FILE's support to accelerate the UK's shift away from oil production.

Real Economy

In 2021 over 100 countries signed the Global Methane Pledge and committed to a collective goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030. Transitioning away from methane is vital, given that over a 20-year period it is 80 times more potent at warming than carbon dioxide. Recognising the importance of this methane moment, a group of philanthropies including CIFF, High Tide, Hewlett and MacArthur Foundations, jointly established the Global Methane Hub, through which more than \$200 million will be pooled to provide technical assistance and support advocacy, campaigns and leverage new data from methane satellite technologies.

There was also significant progress on the **phase out of hydrofluorocarbons** (HFCs), which are potent and man-made greenhouse gases found in cooling equipment. The Kigali Amendment to the Montreal Protocol is an international and legally binding agreement to reduce HFCs. By the end of the year, 129 countries had ratified the agreement - including China and India in 2021, which are two of the biggest HFC producing and consuming countries in the world. 35 countries have also submitted revised nationally determined contributions (NDCs) that include HFC emissions reductions and efficient cooling measures that are in line with or beyond the scope of the agreement. This was the result of years of work from our partners, including the Institute for Governance and Sustainable Development.

In alignment with our **Clean Air and Cities** work, our partners ClimateWorks and the Climate Leadership Initiative led the Drive Electric campaign, which is an ambitious, philanthropy-powered, global effort to accelerate the electrification of all road vehicles by 2050. This campaign was showcased at the TED Countdown Summit, in October, with the significant announcement of \$300 million in funding from the Audacious Project - which will enable scalability in the years to come.

Solidarity and Justice

2021 saw action on land use and nature, with CIFF grantees driving COP26 commitments from 141 countries to halt deforestation by 2030. CIFF also contributed to a joint donor statement on forests and a \$1.7 billion finance pledge to support indigenous people and forest tenure rights.

CIFF and our partners are working to ensure that countries most vulnerable to the impacts of climate change have access to dedicated finance for addressing **loss and damage**. At COP26, CIFF and the Climate Emergency Collaboration Group (CECG) supported key interventions on these issues through the Climate and Development Ministerial Process, and the Loss & Damage dialogues, as well as supporting the Climate Vulnerable Forum and the High Ambition Coalition.

In the final hours of COP, these and other efforts helped mobilise philanthropic partners to create a kick-start fund of \$3 million to advance the loss and damage agenda, supporting those who are dealing with the tragic and irreversible impacts of climate change on a daily basis. However, more progress is needed in this area from the wider global community, to address the fundamental inequity at the heart of the climate crisis.

Sexual & Reproductive Health & Rights

Sexual & Reproductive Health & Rights

2021 marked the year of the **Generation Equality Forum (GEF)** a landmark moment to begin mainstreaming gender transformational work through Sexual & Reproductive Health & Rights (SRHR). As a co-lead of the Bodily Autonomy & SRHR Action Coalition, CIFF announced new investments focused on scaling gender transformative approaches to contraception, safe abortion and post-abortion care services. These will be achieved by programmes that ensure quality Sexual and Reproductive Health (SRH) commodities are available at a low cost, and frontline services reach millions of women and girls.

In 2021 we also refined our focus on three priority areas: **increasing SRH choices; de-medicalising SRHR and supporting self-managed care; and championing reproductive rights**. All our bold SRHR investments will work to serve those ambitions and strive to deliver the promises made at the Nairobi International Conference on Population and Development Summit (ICPF+25), in 2019, and at GEF.

Increasing SRHR Choices

The launch of SEMA Reproductive Health, at GEF, was a key highlight of 2021. This **new global partnership** was announced by CIFF with the Governments of Burkina Faso, Nigeria and Uganda, alongside the Government of France and the Bill & Melinda Gates Foundation. SEMA will support countries to develop data-driven strategies and address the most crucial market barriers, ensuring everyone can access the products they want and need to control their health and futures.

In the course of the year, CIFF also responded to the unprecedented shortfall in funding for SRH with Covid-19 and major donor cutbacks shrinking the financial commitments. CIFF approved a set of investments to prevent service disruption, ensure SRH commodity security and move the sector towards a more sustainable future. These included partnering with the Foreign Commonwealth and Development Office (FCDO) to scale SRH service delivery across West and Central Africa; a new strategic partnership with MSI Reproductive Choices; and a partnership with the Bill and Melinda Gates Foundation and other philanthropies to make an emergency \$50 million commitment to UNFPA to stabilise supplies and mobilise additional domestic and international funding.

2021 also saw significant new work to expand the HIV Prevention landscape, with additional investment to support product and delivery innovations. This remains anchored on the development of the Dual Prevention Pill and planning for greater ambition on HIV Prevention ahead of the Global Fund replenishment in 2022. At the same time, CIFF's large-scale work to support HIV self-testing

reached a crucial milestone with the successful completion of the four-year partnership with OraSure Technologies to scale access to the saliva-based self-test. A robust and growing market of 10 million tests per year is now in place and proved vital during the Covid-19 pandemic as self-testing became even more important for the continuity of HIV testing and treatment programmes.

De-medicalising SRHR and support self-managed care

A significant milestone in our Self-Care work, which focuses on **de-medicalising SRH care and enabling individuals to manage their own healthcare needs**, was the World Health Organization's (WHO) release of new guidance on over-the-counter access for emergency contraception, pregnancy tests, and availability of lubrication for sexual health. To build on this momentum, CIFF partner, the Self Care Trailblazer Group (SCTG), hosted the first-ever Self Care Learning and Discovery Series (SCLAD) to build a community of practice around self-care with over 1000 participants sharing evidence and experiences. The SCTG also supported 10 countries to develop self-care advocacy strategies.

CIFF's Delivering Innovations in Self Care (DISC) project, launched an ambitious demand generation campaign in partnership with the Governments of Nigeria and Uganda. So far, the campaign has achieved more than 25 million social media views and early data from Uganda indicates that efforts are beginning to shift norms among women around self-injection. This work has bolstered the continuing DMPA-SC (an injectable contraceptive) global partnership with the Bill & Melinda Gates Foundation, FCDO, UNFPA and USAID, with over six million women accessing this contraceptive choice in 2021, and a growing trend towards home and self-injection in countries where this is supported.

Championing Reproductive Rights

2021 saw strengthened efforts by funders to address preventable deaths from unsafe abortion. CIFF joined the Swedish International Development Agency (Sida), Norwegian Agency for Development Cooperation (Norad) and The David and Lucile Packard Foundation to

organise and convene partners and align funding priorities and collaboration. The result of this work includes continuing the momentum towards quality-assured care; stronger communication efforts to address misconceptions; and a significant commitment at the GEF summit with 26 signatories from Governments, funders and civil society.

Child Health & Development

Child Health & Development

In recent years, there has been great progress to reduce under-five mortality, but the impact of Covid-19 on health services and economies has continued to be a significant obstacle to many health programmes well into 2021. Many improvements in the survival, health and well-being of children are urgent but also achievable and affordable. CIFF's Child Health & Development team take a holistic view of child health, focusing on maternal health interventions in our nutrition programmes and taking a full infrastructure approach to our water, sanitation, and hygiene (WASH) work.

Nutrition and Maternal Health

One of the key focuses of CIFF's nutrition portfolio is child wasting, the most extreme form of malnutrition. At any given time, an estimated 47 million children suffer from child wasting, putting them at an 11 times increased risk of death compared with their healthy peers. Even though effective treatment for child wasting costs only around \$100 per child, only an estimated one in four children suffering from wasting can access it. Covid-19 has exacerbated the problem, with a projected 9.3 million more cases of child wasting in 2022 due to food and health systems disruptions and the economic impacts.

CIFF also partnered with UNICEF to launch the End Child Wasting Collaborative, which included a shared \$100 million commitment. Along with support for country programmes on prevention of wasting, the collaborative includes a Match Fund for nutrition commodities that provides a 1:1 match, so for every dollar, naira or shilling each country invests in nutrition commodities for the prevention and treatment of child wasting, the fund will contribute an additional one. Within six months, country demand for the fund has already exceeded expectations, with nearly \$4 million of domestic financing leveraged from countries including Mauritania, Nigeria, Senegal, and Uganda.

In addition, throughout the year, CIFF progressed its work advocating for Multiple Micronutrient Supplements (MMS) for pregnant women, which can have a dramatic impact on newborn and child health outcomes. One of the key successes in 2021 was the development and approval of a locally produced MMS in Bangladesh.

CIFF also partnered with the New York Academy of Sciences (NYAS), to set up the first Global Task Force on calcium, which consists of over 20 leading experts from academia, think tanks and the private sector, to guide the global calcium agenda and advocate for increased calcium intake during antenatal care. The Calcium Task Force will cover both supplementation and food-based approaches, aiming to help policymakers make informed decisions on calcium interventions and develop country-specific guidance.

Our approach to CHD, NTDs and WASH is increasingly localised and embedded into our country and regional strategies, particularly the Resilient Communities work in Africa. For more on the outcomes of this work in 2021 see page 25 for Africa, and page 28 for India.

Girl Capital

Girl Capital

CIFF's Girl Capital strategy is premised on the strong body of evidence that giving girls and young women **agency and opportunities** in the form of education and skills while tackling regressive social norms can have a catalytic impact. These actions help prevent child marriage, delay the age of first pregnancy and increase female participation in the workforce. This in turn has a cascading effect across all the issues CIFF cares about, from malnutrition to child trafficking.

In 2021, CIFF's Girl Capital work in India focused on implementing its \$69 million active portfolio and developing a pipeline of proof-of-concept investments. The year saw the team mobilising the broader donor field, leveraging significant co-funding and influencing collaboratives and philanthropies to **prioritise evidence, girls' rights and access to digital education**. 2021 also saw the significant step of establishing the Girl Capital team in Africa, which made its first investments as a pillar of the Africa Strategy.

The shared global vision of our Girl Capital work is that **only when all girls have equal rights, opportunities and agency to achieve their full potential, can we have truly resilient, prosperous and just societies**.

Foundation of Education and Life Skills

In the last 2 years, Covid-19 has highlighted the increasing urban-rural and gender digital divide in India. This divide is most acute in the context of digital learning. To address this CIFF launched an ambitious programme to provide personalised adaptive digital learning to

one million girls in grades 8 to 12 between the ages of 14 and 18, working in partnership with the government of Rajasthan to improve their learning outcomes and pass rates.

Also in 2021, the Life Skills Collaborative disseminated India's first life skills glossary of definitions and worked on common assessment frameworks that will help transform learning ecosystems and enable young people to thrive. CIFF is a key partner within this landmark collaborative, which also includes Echidna Giving, Michael and Susan Dell Foundation, Omidyar Network India and Porticus as donors, as well as 14 practitioner organisations, working with the state governments of Mizoram, Maharashtra, Rajasthan and Uttarakhand.

Social Norm Change and Strategic Prioritisation of Women and Girls

Girl Capital continued the critical work of tackling social norms by supporting the Girls First Fund, a donor collaborative that champions community-led efforts to end child marriage globally. In 2021, work with Girls First Fund focused on strengthening monitoring, evaluation and safeguarding practices to advance the effectiveness of grassroots-led efforts. CIFF also supported Co-Impact, a Gender Justice Fund to tackle systemic gender equity barriers and create opportunities for women and girls to exercise leadership, agency, and power.

Child Protection

Child Protection

For the child protection community, 2021, the second consecutive year of living through a pandemic, was a wake-up call like nothing before. With millions pushed into poverty and an entire generation losing years of schooling as many were restricted at home without access to online education, the vulnerability of children to abuse and exploitation became sharp and visible. The rapid shift to online and digital ways of living also saw an increase in the use of online channels for exploitation including recruitment and grooming. 2021 saw the child protection system's response to children in crisis critically affected. It also demonstrated the strength of community and commitment, as well as the undeniable importance of evidence-based work.

In this context, the need for CIFF to revisit our Child Protection strategy and reconsider the basics of our approach became essential. CIFF's Child Protection work aspires to bring the **voice of the child centre stage** and make child protection everybody's business.

Going forward CIFF hopes to strengthen communities and partnerships with all stakeholders to prevent abuse and exploitation while keeping sustainability, localisation, and diversity, equity and inclusion as core principles.

India and South Asia

Throughout the past year, the two pillars of our work to date, **choking demand and breaking impunity of perpetrators**, were implemented primarily through work in India and South Asia. CIFF's aim in India and the wider South Asia region has been to bring together the many small-scale child protection programmes and set sector-wide standards while integrating successful models into government policy for sustainability. One highlight from our work has been the adoption of our successful community and policing programme in Bharatpur, Rajasthan by the concerned State Government for Statewide scale up.

Our work with BRAC in Bangladesh to prevent cross border trafficking and provide last mile support to

survivors showed some positive results. In 2021 this pilot demonstrated that the model, which incorporates safe migration centres with a focus on livelihoods and awareness, could be immensely effective if better engagement and alliances across borders are established.

Global and Online

CIFF also continued to work in 2021 to **increase global awareness of child exploitation and actions to protect children**. Highlights from 2021 include our partner C3P's campaign for survivors of Child Sexual Abuse Material (CSAM) around Twitter's 15th birthday, which highlighted the struggles of those trying to get CSAM related to them removed from Twitter. This creative campaign was a follow-up to C3P's report that showed Twitter ranked poorly among other online platforms when it came to the ease of reporting CSAM. C3P also published a transparency report showcasing the actions – or lack of – taken so far by the tech industry.

Our learnings from 2021 will inform changes in our strategies and investments going forward, especially in the shift towards preventing abuse and exploitation, keeping communities and children at the heart of all that we do. The voices of children, survivors and communities will inform, sustain and drive our activities in the time ahead.

Cross Cutting

Cross-Cutting

Critical to CIFF's mission to be an impactful, responsive, and catalytic funder lies the role of cross-cutting teams. This includes our Evidence, Measurement & Evaluation (EME), Organisational Development (OD) and Impact Investing teams. They support and lead grant-making, delivering activities such as developing new methods to engage key stakeholders and audiences, evaluating the impact of grants, ensuring grantees have effective capacity and impact capabilities, and investing in commercial enterprises in line with CIFF's objectives. This is done with a focus on making our strategies as effective and innovative as possible.

Evidence, Measurement & Evaluation (EME)

EME is at the core of all our programmes. Only by investing in data and evidence can we measure the impact of what we do, learn and course-correct; without this we are guessing. EME therefore plays a vital role in improving the rigour of CIFF strategies and investments. One of the significant investments that EME supported in 2021, was Say on Climate, through an evidence review of shareholder activism and its effects.

In 2021, as well as supporting the assessment of grants across CIFF's priority areas, the EME team had significant success in executing new policy analyses. This included **expanding the Green Pathway research programme**, which details country-specific green policy areas that could deliver particularly strong benefits for climate and the economy and pave the way towards sustainable development and a prosperous future. CIFF also worked with academic partners to develop a novel analytical approach for understanding the impact of strategic communication interventions, using advanced machine learning techniques.

In 2021, CIFF also supported the launch of Children in All Policies 2030 (CAP-2030), whose mission is to **centre children's health and well-being in all policies**, to ensure an equitable, sustainable future. CAP-2030 will be working to implement the recommendations of the WHO-UNICEF-Lancet Commission on child health. CIFF also launched the Adolescent Atlas, in partnership with the Population Council, a tool for sub-national policy-maker decision making, which allows users to interrogate adolescent health data in a simple to consume format.

Organisational Development (OD)

CIFF's Organisation Development team is responsible for **strengthening grantee capacity** to implement programmes while **increasing their resilience and long-term impact**. The team grew in 2021, building its capacity and localised expertise in Africa with the appointment of an OD Manager in Nairobi. We worked with a range of grantees in 2021 to help them scale and achieve sustainability, reduce risk, and develop leadership capacity. Some of the grantees that the team supported include Triggerise, C40 and Client Earth. During 2021 we worked with our partner Bridgespan to conduct the grantee and co-funders survey to understand the perception of CIFF as a funder. Our grantees reported positively on CIFF's distinctive and rigorous evidence-based

approach to grant-making, our role as thought leaders, as well as our willingness to make long-term commitments and fund innovative approaches. We also heard the need to continue simplifying our grant management processes and calls to further involve grantees in strategy co-creation and building communities of practice. We will embed the full results of this survey into our approach moving forwards.

Impact Investing

CIFF's Impact Investing team are responsible for a portfolio of investments, aligned with the Foundation's charitable objectives, which change to: in some cases, may also involve the potential for a financial return. The team has the flexibility to utilise the most appropriate instruments for each area and, to date, the focus has been to build a portfolio of fund investments representing the best-in-class for their particular sector.

The momentum gathered in 2020 has continued in 2021, with the execution of six new investments. Over the year, CIFF's portfolio diversified, with sectors covered **including carbon capture, alternative proteins and women's health**. CIFF's Impact Investing team worked closely in the year with our Climate and SRHR teams to leverage their technical capabilities and align with already established strategies.

Our investments have already started to achieve impact. In the case of the Global Health Investment Fund (GHIF), the fund is currently estimated to have saved 28,000 lives to date, through investing in advancements in health technology such as drugs, vaccines and diagnostics. It is projected that the fund will save **52 million lives over the next 15 years**. On the climate side, our investments in the Carbon Direct Fund, Clean Energy Venture Fund and Southeast Asia Clean Energy Facility have seen results in reducing net Greenhouse Gas emissions.

Big Win Philanthropy (BWP)

As set out in CIFF's 2020 Annual Report, the conditional agreement of the Foundation to make a charitable endowment grant of \$360 million to Big Win Philanthropy (UK) (BWP), an English registered charity became effective in December 2020. As of 31 December 2021, CIFF had paid four instalments of the BWP Grant, totalling \$72 million. The specified purpose of the grant to BWP is the improvement of the lives of children, young people and families in need in developing countries or countries in crisis.

Regional Activities

Africa

Focus: Kenya, Ethiopia and Nigeria

CIFF's work in Africa, led by our teams in Nairobi and Addis Ababa, is underpinned by the overarching vision of **a future where girls have the health, economic opportunity and agency to contribute to a thriving and self-determining Africa**. This vision is supported by three core pillars, (1) For Africa By Africa, supporting African giving and self-funding, and equipping African institutions to deliver their development agenda; (2) Resilient Communities, with cross-cutting programmes across WASH and NTDs, building sustainable food-systems and climate-specific programmes; and (3) Girl Capital, helping girls prepare for life-determining decisions (as detailed in our Girl Capital Strategy on page 18).

CIFF's **Girl Capital** work in Africa commenced in 2021. This saw a pivot across a number of our existing SRHR investments in the region, to take on a more holistic approach to investing in the whole girl. One such programme is the In Their Hands impact bond, implemented primarily through our partner Triggerise and co-funded by the UK's Foreign Commonwealth and Development Office. This is designed to **digitally disrupt the healthcare industry** by delivering a new kind of sexual health service to teenage girls, aiming to have more girls access sexual health services, more regularly. This programme reached its mid-point in 2021 and is starting to see impact with an increase in the number of girls visiting sexual health clinics and pharmacies. The bond has allowed the programme to scale to 320,000 girls, 130% of its target.

Another of CIFF's Girl Capital programmes in Africa is the RISE investment. Through "Smart Start" training, this programme works with a network of Health

Extension Workers (HEWs) to **encourage the use of contraception** using financial planning as an entry point and positioning contraception as a tool to achieve young couples' self-defined goals. While the programme experienced delays in 2021 due to the political and security challenges in Ethiopia, CIFF's implementing partner PSI is on track to reach its target of serving 500,000 adolescents.

Our work in Africa to build **Resilient Communities** aims to ensure children are born healthy, can thrive in communities, and health systems that are equipped to prepare and respond to shocks. Going forward, this pillar will aim to integrate our work in CHD, NTDs, WASH and Climate to collectively drive child health outcomes and strengthen underlying systems that are critical for long-term sustainability. In 2021 activity commenced on Water4Life+, one of CIFF's largest investments to date. This programme aims to **provide safe water and electricity** to healthcare facilities and schools across 8 regions of Ethiopia, serving over 550,000 students and 1.3 million people. Over the course of the year, CIFF's partners, including World Vision Ethiopia, conducted preparatory work, developing detailed designs of the water supply systems and conducting pilot solar electrification. In the same year, CIFF also approved the first WASH investment in Kenya, where we will be collaborating with one of the most impactful African organisations, Shining Hope for Communities. Focusing on Kibera, the largest slum in Kenya, this investment will provide safe water access to 51 schools, 11 HCFs and 36,222 people.

Our NTD portfolio has also been impacted by the tightening of international donors' aid budgets. This **critical funding gap** meant that the progress towards eliminating NTDs in some of the world's most vulnerable countries was at risk of being undone. In 2021, CIFF, therefore, worked with global partners to address this gap, mobilising additional funding from the Bill and Melinda Gates Foundation and ELMA. Together, our organisations jointly spearheaded a new investment, ARISE-NTDs, which will use \$100 million to support 13 countries to achieve their NTD elimination goals.

Also in 2021, our five-year grant with the Carter Centre to support their **Guinea Worm Eradication Programme** came to an end. 2021 marked the lowest reported number of human cases of Guinea worm since the programme's inception in the 1980s, with only 14 human cases reported. CIFF also partnered with Orbis Ethiopia and the Ethiopian Federal Ministry of Health on **Operation Sight**, to clear the backlog of trachomatous trichiasis (TT) cases. In total, over 27,000 people

received surgery through this programme in 2021, who otherwise would have been at risk of losing their sight. We had several milestones in our work in Africa improving **maternal, newborn and child health (MNCH)** outcomes. Preliminary results from a new randomized control trial (RCT) of Living Good's programme in Uganda show a 30% reduction in under-five child mortality and 27% reduction in infant mortality. This is powerful evidence of what the Audacious Project has enabled over the past four years, and again proves what we have long known to be true: well-supported Community Health Workers CHWs save lives and can do so at scale. This is the second such RCT of Living Good's program to demonstrate a significant mortality reduction, and at nine times the scale of the first (with 4,500 CHWs versus 500) and amid a lower overall mortality rate—thus making it even harder to achieve this level of impact.

2021 was the last year of the Digital Dividends pilot implemented by our partner PharmAccess Foundation. Over the last two years, the project has significantly improved birth outcomes for pregnant women driven by increasing access to MNCH services – this improved the average pregnancy journey score (a metric measuring the quality of a mothers' journey) to 78% compared to a baseline of 48%. Also in 2021, our Newborn Essential Solutions and Technologies (NEST360) programme rolled out in 65 hospitals across Malawi, Kenya, Tanzania and Nigeria, achieving 100% of their target with 34 facilities fully equipped with NEST newborn equipment bundles. The NEST360 newborn toolkit for small and sick newborn care

(SSNC) was also launched on World Prematurity Day. This ground-breaking open-source toolkit was co-created with WHO, UNICEF and over 300 experts around the world. It provides a one-stop shop with tools and information to guide the implementation of SSNC globally. In the first 2 weeks after launch, the toolkit website had been viewed by users across 103 countries. And finally, our partner Jhpiego had success developing a National Antenatal Care (ANC) Guideline, the first of its kind for implementation in Ethiopia, which will help to reduce the prevalence of low-birth-weight babies by developing an integrated model of care.

As part of an **integrated approach to health and climate**, CIFF worked with the African Institute for Development Policy (AFIDEP) and London School of Hygiene and Tropical Medicine (LSHTM) to launch "Making the case for Planetary Health in Sub-Saharan Africa" investment. The evidence generated by this programme will inform key indicators for both climate vulnerability and resilience in the health sector, addressing the gap at the country and regional level. The team has begun to embed the climate-health link in the Kenyan national agenda through engagements with national leadership, policy development and capacity building. Their first policy brief 'Positioning Health in Climate Change Action Plans' was published in November 2021.

India

India

Our team and grantees in India showed extreme resilience despite incredibly challenging circumstances during 2021, with the devastating second wave of Covid-19. Our **Girl Capital** work in India was affected, given the national and state-level closures of schools and skilling centres along with movement restrictions. Our programmes had to adapt and move to alternate digital and hybrid models. Similarly, the SRH programme, Faya (Feminist, Adolescent and Youth-led Action) adapted its strategy, pivoting to deliver comprehensive sexuality education through audio stories and animations.

Another significant milestone for **Girl Capital** in India was the achievement of Udaan which successfully enrolled over 43,000 additional girls in school, between grades 9 and 10. It also **improved knowledge and attitudes on SRH and gender** among adolescents and increased usage of injectable contraception among users in the age group of 15-25, thereby significantly preventing child marriage and averting teenage pregnancies. Over the course of the year, CIFF also supported Glowing Livelihoods Opportunities for Women (GLOW) to partner with over 13 organisations and create opportunities **towards increasing women's employment and participation** in urban India.

Our **Child Health and Development** investments focused on perinatal health have saved lives at scale through community and facility-based approaches. Our FLAG (Facility, Learning and Action Groups) investment, in partnership with Ekjut and University College London, enabled **community-led initiatives to reduce neonatal mortality**. This saw impressive results in 2021, with a 24% reduction in neonatal mortality, equating to 11,803 newborn lives saved, over the 42-month period of the grants. CIFF also worked with Jhpiego and the International Planned Parenthood Federation (IPPF) under the Safe Childbirth Checklist investment, to **improve the quality of care for mothers and newborns** through a facility-based approach. Together, we shared learnings in the wider South Asia region across Bangladesh, Afghanistan, Nepal and Pakistan.

Our community-based model, which scales Participatory Learning and Action (PLA) in Jharkhand received a huge push from the government of India, in 2021. In addition to our implementation support in the state of Jharkhand, the government has provided funding of \$1.2 million towards replicating the PLA model to four other states: Rajasthan, Uttarakhand, Madhya Pradesh and Meghalaya.

Educately, a digital knowledge hub for educators on adolescent reproductive and sexual health was a noteworthy example of success, with more than 150,000 visits and over 4000 enrolments in 2021. Our partners in India played a vital role in championing this platform and have worked collaboratively with the Government to secure

their approval. In the state of Uttar Pradesh our partners also helped the state government to develop a 10-year Adolescent Health Operational Plan.

There were several significant **climate** developments in India during 2021, which CIFF and our partners supported. In November, the Government announced India's revised Nationally Determined Contribution (NDC) with a long-term strategy to be **Net-Zero by 2070 and enhanced 2030 targets**. CIFF grantees TERI, CEEW and WRI India engaged with the government, providing inputs on sectoral targets and scenarios for the long-term strategy. Earlier in the year, Prime Minister Modi announced the vision of making India 'energy-independent (from imports) by 2047' and launched the National Hydrogen Mission, which aims to make India a global hub for **green hydrogen**. In India, the intense and unrelenting heatwave has exposed the poor and the vulnerable communities to extreme warming and health impacts. Our programme, Alliance for Sustainable Habitat, Energy Efficiency and Thermal Comfort for All (**SHEETAL**) is supporting implementation of sustainable cooling solutions and ensuring thermal comfort for all. India ratified the Kigali Amendment to the Montreal Protocol to phase down HFCs, where our partners played a key role in providing the policy nudge.

Under our Transport Decarbonisation project, our partner **Rocky Mountain Institute** (RMI) played an important role in developing Maharashtra's new Electric Vehicle policy, with a mandate to ensure that 10% of all new vehicle registration in the state are electric by 2025. RMI in partnership with NITI Aayog also launched the **Shoonya campaign**, which aims to improve air quality in India by accelerating the deployment of electric vehicles for ride-hailing and last-mile deliveries.

In addition to these national-level initiatives, we also saw progress on climate and the environment at a local level. Our partner, the Centre for Science and Environment (CSE) in collaboration with the Rajasthan State Pollution Control Board (RSPCB) conducted a **pollution hotspot mapping exercise** in Jaipur and initiated a new project with National Institute for Urban Affairs (NIUA) and India Resources Trust to support city-level climate action planning and solutions in three cities each of Maharashtra. Under our **Project Unnat Kheti**, over 4000 farmers adopted natural farming/low carbon agriculture practices across pilot villages in the states of Uttar Pradesh, Gujarat and Madhya Pradesh.

China

China

CIFF's work in China is an integral pillar of our climate strategy and portfolio. After becoming fully operational in 2020, our Beijing office continued to grow throughout 2021, with enhanced programme capacity, enabling CIFF to strengthen relationships with our partners and grantees in the region.

The team endeavours to support the smooth implementation of China's carbon peaking and carbon neutrality goals. From national climate ambition to sub-national low carbon transition, from international Track-II dialogues to domestic policy recommendations and from greening financial system to phasing down HFCs, CIFF works closely with partners to support China to cope with climate and environmental challenges.

There were several significant developments in China's climate policy in 2021. At a national level, CIFF partnered with Energy Foundation China (EFC) to support the acceleration of China's climate ambition and encourage action through platforms such as the China Council for International Cooperation on Environment and Development (CCICED). The outcomes of these efforts were seen in the run-up to COP26 when China published its updated NDC along with other macro policy documents outlining the principles of its climate ambitions.

CIFF also supported China to strengthen the greening of its financial system. Specifically, our partners worked with China, the UK and the EU to help align their financial strategies and further strengthen green finance cooperation across geographies. The past year witnessed China and the EU publishing a common ground taxonomy, which is expected to support green finance cooperation and mobilise cross-border climate financing by lowering the green certification cost for cross-border transactions.

2021 marked the launch and conclusion of the first compliance cycle of Emissions Trading Scheme (ETS) which caps the emissions of the power

sector. This covered 2,162 power companies, which collectively contribute 4.5 billion tons of CO₂ emissions each year. Our partners in China have been working to strengthen the ETS' implementation, including organising training programmes and enhancing understanding among a broad set of stakeholders to help get companies prepared.

China's ratification of the Montreal Protocol Kigali Amendment came into effect in 2021, which strengthens the control of non-CO₂ greenhouse gases and accelerates the global effort to phase out Hydrofluorocarbons (HFCs). In line with this, CIFF's grantee EFC has been working to improve the energy efficiency of cooling equipment while phasing down HFCs in China and will continue its effort to further promote China's green cooling transition.

Internationally, CIFF helped facilitate China-EU-UK dialogues leading up to and during the COP26, to enable the constructive exchange of thoughts on international climate governance and collaboration. The Green Development Guidance led by CIFF's grantee World Resources Institute, provided important recommendations for greening China's overseas investments. In 2021 China committed to stop building coal power projects in other countries, which will help spur the global green energy transition.

Europe

Europe

This year, CIFF and European partners have focused on implementing and driving progress on the EU's Fit for 55 package, a series of legislative packages aimed at translating the **EU Green Deal** into actions and regulation. Through the European Climate Foundation (ECF), CIFF has supported successful diplomatic dialogues that focus on NDC implementation, leveraging Europe's diplomatic power. This also includes undertaking campaigns for decarbonising trade, such as ensuring that the Carbon Border Adjustment Mechanism (CBAM) is high on the political agenda.

With ECF and partners like Europe Beyond Coal, CIFF has continued to support the push for **coal phase-out**. 2021 saw significant progress, with 21 countries now either coal free, or in possession of a coal phase out plan. Portugal became the fourth country in Europe to stop burning coal, joining Belgium, Austria and Sweden.

The achievements across CIFF's work on European **Industry** are wide and include Germany's proposal on financing the transition to low-carbon technologies for steel, cement, lime and ammonia through carbon contracts for difference through ECF. There has also been major progress on fossil-free steel production through Hybrit, a green steel venture from Sweden, and crucial first steps taken in building the enabling infrastructure needed to decarbonise industry, in no small part enabled through the technical advocacy and policy rigour of CIFF's partner, Bellona Europa.

Throughout the year, CIFF's investments in **climate litigation** helped maintain net zero integrity. In France, our partner FILE supported the Grande Synthe victory, in which the French Government was ordered to strengthen its emission reduction targets. Similarly, in Germany our partners advocated for an increase in ambition under the country's climate law and the government responded by bringing its net-zero target forward to 2045.

CIFF's programmatic work in Europe also included a significant focus on the **COP26** summit, given it was hosted by the UK in November 2021. Our CEO, Kate Hampton, was a Friend of COP, working closely with the UK Government to provide advice and scrutiny ahead of the summit. Together with partners, CIFF helped to ensure that the conference itself was inclusive, by enabling the UK Government to host convenings with representatives from climate-vulnerable countries and young people. And in addition to the many cross cutting and global results from COP26, our partners also had local impact – for example the British Academy of Film and Television Arts (BAFTA) launched the Climate Content Pledge with the 12 largest broadcasters in the UK committing to improve climate story telling.

Strategic Report

Strategic Report

Section 172(1) Statement

In preparing the Strategic Report, the Trustees have considered their duty to promote the success of the Foundation under section 172(1) of the Companies Act as interpreted in accordance with section 172(2) given the Foundation's charitable objectives. As such, the Board confirms that in its decision-making, it considers:

- Long-term consequences
- The interests of employees
- The public benefit of the Foundation's work
- Impacts on the community and the environment
- Maintaining a reputation for high standards of conduct
- The need to foster relationships with suppliers and grantees

Engagement with the Foundation's stakeholders is integral to developing and executing on the strategy to achieve its charitable objectives. The voices of its beneficiaries, grantees, partners and employees are not only heard but promoted to increase the effectiveness of its work for the public benefit. These voices form part of the Foundation's commitment to continual learning and development, in the context of specific charitable programme objectives but also in terms of how the Foundation operates and its aim to address matters such as diversity, equity and inclusion in all its work.

In making decisions about the Foundation's charitable work, the Trustees consider many factors and most importantly, in relation to its grant-making activities, the opinions and advice of independent experts appointed to its Investment Committees (as described further below). Grant-making activity is also informed through regular engagement with grantees, including through a grantee survey which enables grantees to provide valuable input regarding the Foundation's programmes. Grantees are also encouraged at all times to raise issues or concerns and these are relayed to the Trustees (and other advisors) through regular portfolio review meetings. During the year the Foundation's charitable work continued to be affected by the impact of Covid-19. The Investment Committees and the Board were provided with regular updates on the impact of the pandemic on its charitable objectives to inform decision-making generally but also in the context of programmes that were directly affected, such as those involving close contact between individuals. The information provided to the Investment Committees and the Board was obtained through regular engagement with grantees, independent experts and other foundations.

Similarly, during the year, the UK Government made significant reductions to its overseas development aid budget which had the potential to materially impact the Foundation's charitable objectives. Expert consultants were engaged to provide information and insights about the potential impact and grantees were surveyed to understand the direct impact on their operations. The Foundation also engaged with the Government in relation to this specific area, as well as specific programmes, to provide information on the impacts on charitable beneficiaries and also understand more about Government policies. This information was relayed to the Board so they could make decisions that supported the Foundation's long-term charitable strategy and goals. This led to substantially increased charitable expenditure being approved during the year compared to the previous year with a view to both protecting the impact of existing programmes and addressing some of the damage from funding cuts. In order to support this type of decision-making the expert advice of the Foundation's Finance, Audit and Investments Committee was sought, including in relation to the performance of the endowment and spend scenarios. Decisions by the Board in relation to the Foundation's endowment are taken following advice from the Finance, Audit and Investments Committee, who oversee the investment management arrangements (as further described below). This information is crucial so that the Board have an understanding of the financial consequences of the Foundation's strategies.

The Trustees also regularly rely on the advice of external charity lawyers regarding regulatory and other matters related to the management and operation of the Foundation. This advice is received from experts that are able to advise on modes of governance, operation and transactions in a manner that fully reflects regulatory requirements, Charity Commission guidance and general best practice. Appropriate legal and other technical advice is obtained from local experts in relation to the Foundation's overseas operations and programmes. This advice, as well as advice from the General Counsel is relied upon by the Board in making decisions that ensure the Foundation's reputation for high standards of conduct are maintained. The Foundation's General Counsel and Head of Compliance provide the Board with updates on any incidents that take place in the context of the Foundation's work at every Board meeting. Legal and Compliance are also integrally involved in all programmes that the Foundation develops and implements.

The Foundation is actively engaged with its staff and a detailed description of that engagement is set out on pages 36 to 37. The Board and the Remuneration Committee receive information regarding the Foundation's employees, mainly based on information obtained from employee surveys conducted throughout the organisation. This information serves as a backdrop to the Board's decision-making and covers matters such as work-life balance, remuneration, job satisfaction and culture.

The Foundation, like many organisations, has been on a learning journey in relation to diversity, equity and inclusion and anti-racism. This journey has been informed by a number of stakeholders, from employees to grantees and beneficiaries. All employees have received information and training on these issues both internally and through third party experts and advisors.

Covid-19

Covid-19 has significantly changed the way we work with the majority of the Foundation continuing to work from home for the past year. Our focus throughout the pandemic has been maintaining the health and wellbeing of staff, grantees and partners while making every effort to continue to deliver our charitable objective of improving children's lives.

During 2021 and into 2022 we have worked with our grantees and partners to understand the impact of the pandemic and seek solutions to the challenges faced. In some cases, deliverables, timelines and outcomes have had to change but we continue to be focussed on overcoming the obstacles and delivering our charitable objectives. Despite the challenging environment we are happy to have increased our charitable grant disbursements in 2021 to US\$468 million (2020: US\$344 million). This increase in disbursements reflected a strategic shift during the year to addressing the impacts of UK Government overseas aid cuts on the Foundation's programmes and objectives, in addition to increasing funding to organisations committed to addressing the climate emergency.

Recent Developments

Grant to Big Win Philanthropy (UK)

As set out in the Foundation's annual report for the period ended 31 December 2020, the conditional agreement of the Foundation to make a charitable endowment grant of US\$360 million to Big Win Philanthropy (UK) (BWP), an English registered charity ("the BWP Grant") became effective in December 2020. As at 31 December 2021, the Foundation had paid four instalments of the BWP Grant, totalling US\$72 million and payments made to BWP Grant are reported as part of the Foundation's normal charitable expenditure.

During the year, the matter of legal costs arising from the appellate proceedings was resolved, with the Foundation making payments to Ms Jamie Cooper and Dr Marko Lehtimäki, as ordered by the Supreme Court and in amounts agreed between the respective parties. The Foundation was ordered to pay the legal costs of the Attorney General who was also a party to the proceedings but as at 31 December 2021, the Attorney General had not made any claim for such costs. Whilst the Foundation has taken advice that it has complied with all its obligations in relation to those costs, an amount of £250k has been reserved in the event that a claim is made. Save for the matter of the Attorney General's legal costs, the legal proceedings are now complete and there are no further rights of appeal or review in relation to those proceedings.

The total legal costs incurred by the Foundation in relation to the governance issues affecting the Foundation (over which its Governance Committee had oversight from its establishment in April 2015), including in relation to the BWP Grant, from year ended August 2014 up to the year ended 31 December 2021 stand at US\$12,870k (in the year ended 31 December 2021 US\$4,003k (31 December 2020 US\$1,301k)) which total amount includes US\$3,181k in legal fees ordered by the courts to be paid to certain parties in the above-mentioned proceedings relating to the BWP Grant.

Social Impact of CIFF's Operations

Improving our culture and championing diversity

The overarching aspiration of the Foundation's People Strategy is: "To build world-class talent and capability to transform the lives of children, and provide an environment where all members of the CIFF Family can be at their best and realise their full potential." Working towards this aspiration, in 2021 the Foundation worked to strengthen the base of our HR processes and to further build the HR team around the pillars of the People Strategy, including the introduction of localised HR Business Partners in India and Kenya.

Over the course of the year the Foundation also launched and consolidated initiatives across each of the four HR pillars. As part of the Leadership Development pillar, the Executive Team's learning journey continued in 2021, with executive coaches sourced and objectives aligned to CIFF's leadership framework, as well as to the Foundation's core purpose. The Foundation also conducted an organisation-wide training needs analysis and developed programmes for priority needs. This included the Communications Academy, enabling staff to refine their written and verbal communications skills. To further develop a coaching mindset across the organisation, CIFF began working with an external partner to roll out an all-staff holistic coaching learning journey, which will continue into 2022.

Helping progress CIFF's Winning Culture, the Foundation launched two new initiatives in 2021, which will help the organisation to engage with staff and further embed a culture of trust, transparency, and collaboration. Launched in September, Speak Up @ CIFF is an integral part of the organisation's work to build this culture and enable greater psychological safety – it provides clear guidance on how individuals can speak up, to whom, and what you can expect to happen as part of this process. In December, the Foundation also launched the Employee Forum, which provides a platform for staff to discuss CIFF wide issues and initiatives impacting the business.

As part of our Strategic Talent Management pillar, the Foundation delivered a new integrated talent review process which ties together development, succession and planning. Quarterly Talent Review Meetings are now embedded and the process identified areas where more visibility and guidance would be beneficial. The HR team also established a new recruitment strategy, which included outputs such as a recruitment toolkit for managers and panellists. The Foundation also refreshed its approach to onboarding, with new materials, helping the organisation onboard 74 new staff over the course of the year.

Key highlights from the Foundation's efforts to ensure it is a rewarding place to work (the fourth pillar of the People Strategy) include the opening of the new office in Nairobi and as well as the introduction of a hybrid working policy, allowing staff to work

flexibly. The aim of this work is to support the adapting needs of our organisation. More broadly, in 2021, CIFF commenced an extensive review of our approach to rewards, the outputs of which are expected in 2022.

Cutting across all the pillars of the People Strategy, Diversity Equity and Inclusion (DEI) is increasingly at the heart of our HR work, as we work to transform our organisational culture, leadership values and behaviours and people processes and support systems through this lens. In 2021, the Foundation rolled out an internal DEI vision and strategy with key activities including: the continuation of an all-staff Anti-Racism Learning Journey; a review and update of key people policies and the recruitment process with a DEI lens; and the development of a DEI Hub to provide a home for key resources. The objective of this work is to ensure that DEI is hardwired within the organisation and to enable us to champion diversity in its broadest sense.

Reducing the environmental impact of our operations

CIFF remains committed to protecting the environment as we continue to focus on improving the environmental footprint of our buildings and our operations. We also recognise wider consideration of the Foundation's value chain is required to fully assess the environmental impact.

Given a significant portion of our value chain's environmental impact is the financed emissions associated with our endowment investment portfolio, this year we are reporting on emissions in relation to our public equity positions for the first time.

Buildings and Operations

Activities in 2021 continued to be significantly disrupted by Covid-19 resulting in less office use and negligible travel. We recognise the resulting positive impact of a reduction in our carbon emissions would not be reflective of a standard year of operations.

In relation to CIFF's operations, in a normal year our greatest source of emissions will continue to be flights as we visit our projects around the world. During 2022, we will be actively tracking and reporting our flight emissions internally, encouraging the use of virtual meetings and alternative lower carbon forms of transport wherever possible.

CIFF has appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions for our buildings and operations in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

We have been assessing our carbon emissions with the support of Carbon Footprint since 2019, including backdated estimates to aid the purchase of carbon credits back to July 2016. CIFF previously chose to calculate our emissions using a reporting year that differs from our Annual Report (1st July 2019 to 30th June), however have aligned the two periods during 2021. The table below summarises the GHG emissions of our buildings and operations for reporting year 2021 together with prior period actuals.

Activity	Jul'19 to Jun'20 (12 months)	Jul'20 to Jun'21 (18 months)
Total energy consumed (kWh)	244,920	174,679
Total Gross Location-Based Emissions (tCO ₂ e)	1,705	325

CIFF purchase carbon credits equal to carbon emitted for buildings and operations, plus the following years estimated carbon emitted, plus 8% to create a net positive impact. Carbon emissions for CIFF buildings and operations have been calculated for the period from July 2016 to December 2021 and estimated for 2022, totalling 10,400 tCO₂e. During 2019 CIFF purchased carbon credits of 11,520 tCO₂e made up of 50% Gold Standard Projects and 50% European Union Allowance credits.

Investment portfolio

CIFF has an investment portfolio of \$6 billion that finances our charitable expenditure. CIFF's endowment is subject to restrictions to ensure we remain invested in companies that are aligned to CIFF's ethical values. Find out more about our Investment Policy on page 42.

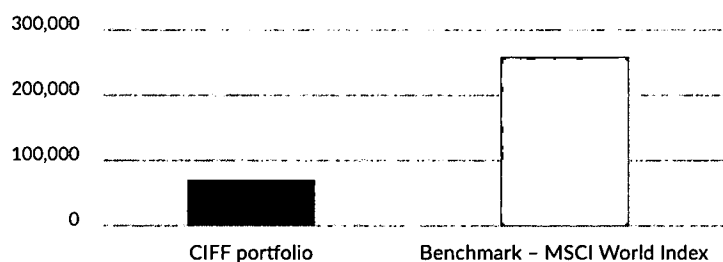
CIFF are committed to working with our investment manager to actively engage companies we invest in to mitigate climate change. We are supportive of the work our investment manager has completed to date, such as seeking greater disclosure of greenhouse gas emissions, encouraging the implementation of low carbon transition plans and in some instances filing shareholder resolutions.

The outcome of our investment managers engagement, which we value as a key enabler to reducing climate change is not depicted by the reporting of our financed investment emissions, however following best practice guidance we have started disclosing financed emissions below.

The CIFF investment portfolio is made up of public equities (2021: 70% of investments) together with unlisted debt, equity and fund investments. The availability and accuracy of emissions data for unlisted investments are limited, therefore the reporting only includes public listed equities. During 2022 we will continue to investigate approaches to capture emissions for the remainder of the investment portfolio with the aim of continuing to enhance our emissions reporting annually.

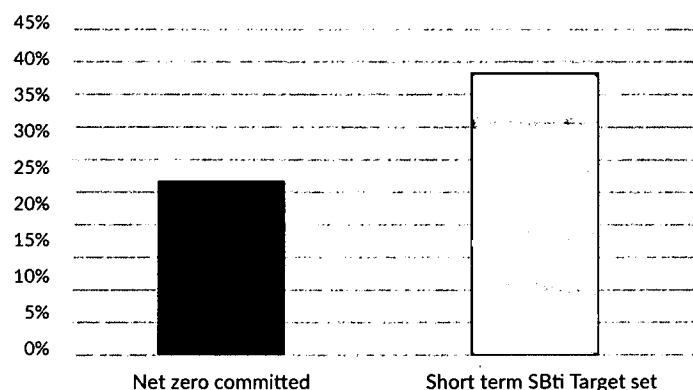
For our public equities, we recorded a scope 1 and 2 emission footprint of **69,097 tCO₂e** as at 31 December 2021 which is significantly below the emissions of the MSCI World Index benchmark for a portfolio of the same size at **274,724 tCO₂e**. The emission footprint calculation is based on guidance set out by the Partnership of Carbon Accounting Financials (PCAF)¹ and emissions data collected directly from company financial statements for reporting period 31 December 2021 or where the reporting period is not aligned, the closest reporting to 31 December 2021 that is available.

Public equities Carbon Footprint (tCO₂e) as at 31 December 2021



In addition to emissions, CIFF track the % of the portfolio with climate targets, where made to the organisation Science Based Targets.²

% of investments with Climate Targets



We are supportive of our investment manager's approach to climate risk and engagement with companies in the publicly traded equities portfolio. This includes seeking full disclosure of greenhouse gas emissions, ensuring companies develop and implement science based 5-year climate action plans and in some instances, where necessary, filing shareholder resolutions and voting against directors as a tool to hold boards accountable.

¹ The methodology used to calculate the CIFF share of company's emissions follows the guidance produced by the Partnership of Carbon Accounting Financials (<https://carbonaccountingfinancials.com/>).

² Data available from Science Based Targets (<https://sciencebasedtargets.org/companies-taking-action>) is used to ascertain companies with short-term science-based targets and science-based net zero commitments. Targets set are certified by Science Based Targets and commitments are made directly to Science Based Targets.

Financial Review

Five-year summary of income and expenditure

Summary of income and expenditure

	2017	2018	2019	2020	2021
	US\$m	US\$m	US\$m	US\$m	US\$m
Incoming resources	283	82	106	97	29
Net Investment gains/(losses)	491	131	1,013	431	695
Foreign exchange	6	(3)	2	(1)	(0)
Total incoming resources including recognised gains and (losses)	781	211	1,121	527	724
Investment management costs	67	34	98	14	19
Charitable activities	247	247	289	369	828
Total resources expended	315	281	387	383	848
Net movement in funds	466	(70)	734	144	(124)

Summary of assets and liabilities

	2017	2018	2019	2020	2021
	US\$m	US\$m	US\$m	US\$m	US\$m
Investments	5,233	5,342	5,484	5,973	5,909
Current assets	550	307	650	232	454
Total liabilities	(599)	(521)	(272)	(200)	(481)
Total assets less Total liabilities	5,183	5,128	5,862	6,005	5,881

Summary of financial and operational information

	2017	2018	2019	2020	2021
Grant disbursements (m)	208	232	269	344	468
5-Year disbursement ratio*	4.4%	4.8%	5.2%	4.8%	5.4%
Average headcount (FTE)	80	95	115	132	167
Operating expense as a % of disbursements**	11.7%	12.1%	11.8%	9.1%	8.3%

* The 5-year disbursement ratio is defined as the average spend divided by the average assets over a 5-year rolling period.

** For this ratio, operating cost do not include the exceptional expenses included in 2017, 2018, 2019, 2020 and 2021.

Charitable activities

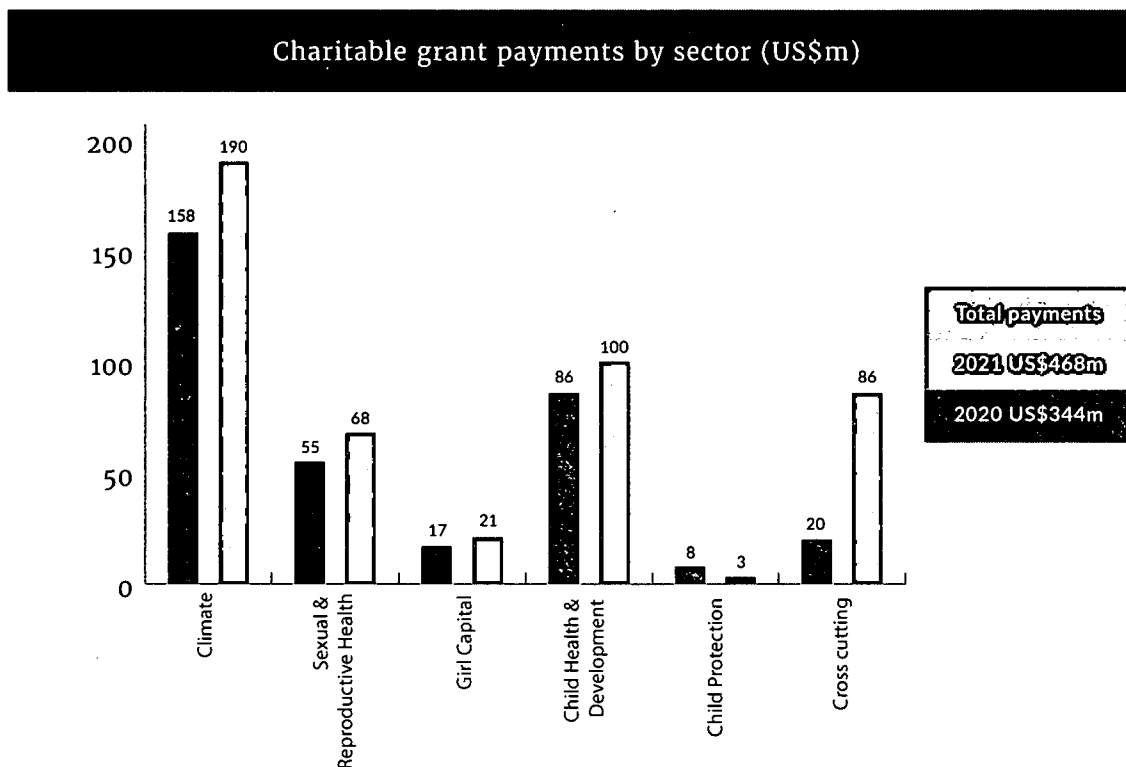
The Foundation committed US\$829 million to charitable activities (2020:US\$369 million), which consisted of US\$783 million of charitable grant commitments (2020:US\$335 million), US\$3 million of activities undertaken directly (2020:US\$2 million) and US\$43 million of operating cost (2020: \$32 million).

Activities undertaken directly (DCA)

The direct expenditure of US\$3 million (2020:US\$2 million) on charitable activities was mainly to further CIFF's mission by convening conferences and events, providing technical assistance and training to grantees and other charitable organisations, and publishing and disseminating research findings.

Grant Disbursements

The Foundation made US\$468 million of charitable grant payments in 2021, which is the fourth successive year of increased disbursements and represents a 36% increase on the prior year (2020: US\$344 million). The chart below shows the grant payments made in 2021.



Investment Review

Investment strategy

The Trustees have developed an investment strategy which provides for investing in a diverse portfolio of financial investments with a long-term investment horizon. The Foundation's investment objective is to:

- seek an inflation-adjusted return of at least 6% per annum over a 10-year rolling period;
- manage its investment portfolio to ensure appropriate liquidity and risk controls while also permitting illiquid investments with the potential for a high return; and
- diversify its investments across a range of asset classes and industry sectors.

It is the intention of the board to maintain the endowment for the long term while continuing to fund ClFF's work.

Asset growth

Since inception, the Foundation has received voluntary income, donations and donations-in-kind of over US\$2.4 billion. Over the last 10 years, the Foundation's net assets have grown through investment to US\$5.9 billion as at 31 December 2021 (2020: US\$6.1 billion), after charitable activities, governance costs and investment management costs of over US\$3.5 billion (2020: US\$2.7 billion).

Investment returns

Total incoming resources were US\$29 million (2020: US\$97 million), consisting of, dividends, interest received and rental income from the Group's equity and fixed income investment portfolio together with donations. Investment gains in the year were US\$695million (2020: US\$431 million). The combined net investment return for the financial year ended 31 December 2021 was 12% (2020: 8%), reflecting continued strong investment performance, with a cumulative performance of 471% since April 2009, equivalent to 15% per annum return (net of fees). Cumulative investment performance is measured from April 2010.

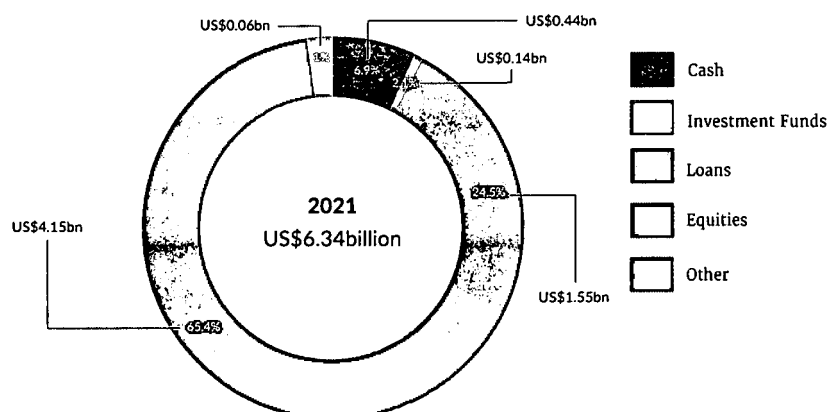
Investment management costs

Investment management costs in 2021 were US\$19 million (2020: US\$14 million), which mainly related to managing subsidiaries holding endowment investments including brokerage and charges intermediary fees accrued to a third-party real estate advisor (see note 25 for further details of service providers). No fees are charged by TCI Fund Management Limited in relation to management of the endowment assets.

Asset allocation

The investment manager, TCI Fund Management Limited (TCI FM), invests the Foundation's assets in different classes and sectors within the parameters set by the Foundation's investment management restrictions, adopted by the Trustees. The Foundation and its subsidiaries (the "ClFF Group") operate a diversified portfolio, invested in a number of different types of financial instruments across a wide range of sectors (with certain limitations - see investment policy on page 42). The allocation by asset type is set out in the chart set out in the chart below.

Percentage of total asset allocation by asset type (including cash)



Risk Management and Key Policies

Risk Management

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. The principal manageable risks identified by the Trustees are those related to safeguarding of beneficiaries and staff of grantees, exposure to cyber-attacks and fraud and the impacts of Covid-19 on the well-being of staff and impact of programmes. The Trustees also identified cuts to the UK overseas development aid budget as a risk to achieving its charitable objectives in some countries, while regulatory changes regarding the receipt of foreign charitable funds in India also risked the success of some programmes.

The Trustees are satisfied that sub-committees, systems, controls and policies are in place to mitigate and manage exposure to risks identified by the Trustees through the process described below. They continue to review current processes, recognising that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The management of major risks is carried out in accordance with guidance by the Charity Commission. The Foundation has established organisational risk working groups that review, identify and manage risks through the Foundation. The risk working groups are in each case comprised of relevant staff from throughout the Foundation and cover the following areas: Country/Local, Legal and Compliance, Finance and Investments, Operations, Partners, People and Political and Reputational. These groups meet semi-annually (in some cases attended by external advisers, such as external legal counsel) to discuss the risks faced by the Foundation and mitigating actions. The groups each prepare reports that assign ratings to the risks identified based on the likelihood and impact of the risk, which is then adjusted for relevant mitigants. The final reports from the risk working groups are moderated by the Executive team before being presented to the Board for review and adoption, also on a semi-annual basis.

The Foundation maintains a comprehensive set of compliance policies that are intended to address many of the risks it faces. These include policies regarding safeguarding, bribery, corruption and fraud and use of IT. The Foundation publishes a Modern Slavery Statement on its website, which reflects its internal process for assessing modern slavery risks in its work. The statement was published on a voluntary basis despite advice that the Foundation was not formally required to publish such a statement under the Modern Slavery Act 2015. Publication of the Modern Slavery Statement reflects the Foundation's commitment to ensuring modern slavery does not occur in its own supply chains or its charitable work. The Foundation will seek to continue to review, provide training and monitor compliance issues within the Foundation and its programmes. Its compliance policies and processes are reviewed on a regular basis to ensure they reflect best practice and staff are provided regular training, including in induction but also at regular intervals thereafter.

Investment Risk Management

Investment Policy

The Foundation implements its Investment Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including Charity Commission guidance "Charities and Investment Matters" ("CC14")) through direct and indirect investments, including via investment subsidiaries.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Foundation's investments. The Finance, Audit and Investments Committee (the "Finance Committee"), chaired by Mr Emmanuel Roman, acts as an advisory body to the Board on finance, audit and investment matters. In addition, since February 2018, the Trustees had delegated to the Investments Sub-Committee certain decisions in relation to the Foundation's endowment. The Investment Sub-Committee was comprised only of the non-conflicted and un-recused Trustees. In December 2021, the Board resolved to dissolve the Investment Sub-Committee, noting that in the event of any potential conflicts in relation to decisions regarding the endowment, these would be managed in accordance with the relevant provisions in the Foundation's articles of association.

The Foundation's investment policy prohibits investments in companies or entities that:

- Generate any turnover from the business of manufacturing tobacco products and tobacco marketing.
- Market breast milk substitutes unless they have committed to adopt the World Health Organisation's International Code of Marketing Breast Milk Substitutes.
- Generate 10% or more of turnover from extracting, stockpiling, distributing or trading fossil fuels.
- Generate 25% or more of turnover from the development, production, manufacture, distribution, stockpiling, transfer or sale of arms.

If a company in which the Foundation is invested falls into one of these categories, the investment manager has 12 months to divest. However, the investment manager may invest in companies or entities that market breast milk substitutes as described above if the investment manager encourages the relevant company or entity to adopt a publicly available policy committing to adopting the Code of Marketing Breast Milk Substitutes.

Taking into account the advice of the Finance Committee, the Board is satisfied with the current investments and their allocation, although the Board will continue to monitor and review the investment strategy, through the Finance Committee. Following the impact of the Covid-19 pandemic on global capital markets, the Finance Committee is regularly reviewing the performance of the endowment and engaging with the investment manager to understand the impacts and actions of the manager. The views of the Finance Committee will be shared with the Board so that the non-conflicted Trustees can assess whether they believe any changes to the Investment Policy or the investment management arrangements are required.

The Trustees are aware of the potential conflict of interest which exists between the Foundation and Sir Christopher Hohn as both a Trustee and his position as Managing Partner of TCI FM, the investment manager to certain entities within the Foundation's Group, and accordingly carefully and appropriately manage the relationship.

The members of the Finance Committee complete a full review of the Investment Policy at least annually, which includes a review of the investment manager, benchmarking its returns and also benchmarking the intermediary fees of the third party real estate advisor. Further details of the investment portfolio can be seen in the notes to the consolidated financial statements.

Cash Management Policy

The Foundation has a Cash Management Policy, which was adopted by the Trustees on 11 March 2013 and was most recently updated by Trustees in March 2021. The Cash Management Policy is reviewed at least annually by the Finance Committee and the Trustees and, if necessary, amended.

The Cash Management Policy sets out:

- The principal objective of cash management at the Foundation, which is to ensure that the Foundation has sufficient cash available to meet its working capital requirements. The Foundation does not seek to maximise investment returns through its cash management activities;
- The cash management activities that are permitted by the Foundation and the applicable limitations upon those activities; and
- Who is required to authorise cash management activities.
- The Foundation implements the Cash Management Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including CC14).

Financial risk management

Internal controls

The Foundation's internal controls are designed to provide assurance to the Board of Trustees that adequate procedures are in place and operating effectively to mitigate the risk of material financial loss or misstatement.

The Foundation reviews internal operational and financial process controls on an on-going basis, with external support where appropriate, and implements improvements. CIFF continue to invest significantly in IT security, including annual external reviews and the onboarding of an internal resource focused on IT security.

The Foundation's budgets are prepared annually. The Foundation's support and governance spend is set by reference to total planned charitable disbursements to ensure it remains reasonable and proportionate. The Executive Directors review and approve guidance for budget holders and staff to monitor and control operating cost and government-related expenditure. Further details of financial risk management can be seen in Note 15 of the consolidated financial statements.

Granting Policy

The Foundation currently adopts a "multi-year agreement" approach for multi-year programmes. This multi-year agreement permits, for example, a five-year programme to be contracted for the full five-year term of the programme, but subject to programme reviews and conditionality such that it remains consistent with Statement of Recommended Practice ("SORP") guidance, with expenditure being recognised annually in the Consolidated Statement of Financial Activities.

For each new grant programme, or "investment", a full programme budget and mapped work plan is developed by the grantee and the CIFF sector teams during the due diligence phase in order to obtain the necessary approval by the Board, Programme Investment Committees (PICs), or, in the case of investments of a programme with a budget of US\$1 million or less, the CEO (see also the Foundation Governance Structure section on page 45).

Upon approval by the Board or PICs, the full programme budget is agreed for the full-term of the programme, subject to the performance reviews that take place during each year of the multi-year programme or any other specific conditionality or "gating" requirements imposed by the Board or PICs. During performance reviews, the relevant CIFF sector team reviews the progress of the grant and, if appropriate, agree the work-plan going forward, budget, KPIs, milestones and deliverables.

The performance review process is set out as a condition of the agreement with the grantee, with release of funding being conditional upon adherence to the work-plan, budget, KPIs, milestones and deliverables by a specific date set out in the multi-year contract.

Failure to complete the performance review process and adhere to the work-plans, budgets, KPIs, milestones and deliverables by the relevant date specified may result in termination of the grant agreement.

Reserves Policy

The Foundation maintains three internal reserves to assist in achieving these financial objectives: Restricted Funds, an Expendable Endowment Fund and Unrestricted Funds. The level of these Reserves, considered on a ten-year time horizon, is the key determinant in the amount of capital which the Group is able to distribute each year to charitable activities. The Trustees review reserves annually and are satisfied that the CIFF group is in a position to meet all its current and anticipated future commitments.

Unrestricted reserves

Designated funds

As at 31 December 2021, the Trustees have earmarked US\$951 million (2020: US\$643 million) of reserves as designated funds in recognition of funds which may be called upon to fund approved multi-year programmes within the next 1 to 5 years.

Operational Reserves

The Foundation's unrestricted funds have also been used in 2021 and previous years as "Operational Reserves" to finance the Foundation's grant expenditure and direct charitable activity expenditure, operating cost and governance costs and to provide a short-term buffer for grant-making and other costs.

Cash flow projections for income and expenditure are reviewed to ensure that the level of disposable net assets is adequate, and that the Foundation is in a position to meet all its grant-making and working capital commitments. In the event that the Foundation is unable to meet its commitments from reserves of unrestricted funds at their disposal, the Foundation will, as referred to below, draw on the expendable endowment to meet those commitments as necessary.

In view of the high level of liquidity of a large proportion of the Foundation's assets, the Trustees do not consider that it is necessary or justifiable to carry unrestricted operational reserves and therefore working capital surpluses are transferred to the expendable endowment. The unrestricted operational reserves as at 31 December 2021 was US\$nil (2020: US\$nil).

Restricted Funds

Restricted funds are generated when a donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expended. The Trustees ensure that these funds are expended in accordance with the terms under which they have been donated to the Group. The restricted fund balance as at 31 December 2021 was US\$8 million (2020: US\$7 million) which consisted of fixed assets relating to drilling equipment for water wells.

Expendable Endowment Funds

The Group's endowment is expendable at the Trustees' discretion. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects. The Trustees' intention is to monitor the value of the expendable endowment fund in real terms over a multi-year period to ensure that the Group can maintain its existing level of annual charitable expenditure and increase it gradually as they see necessary to meet the Foundation's charitable objectives for future years. At the year end, the value of the expendable endowment fund was US\$4,922 million (2020: US\$5,356 million).

Structure and Governance

The Foundation is a company limited by guarantee, incorporated on 8 February 2002 and registered as an English charity on 12 March 2002. The charity number is 1091043.

Subsidiary Companies

The Foundation has ten directly or indirectly owned vehicles within its Group as at 31 December 2021 that have a mixture of purposes including to hold endowment investments and to help achieve the charitable objectives of the foundation. For the period to 31 December 2021, the reported results of the subsidiary undertakings of CIFF are disclosed in the note 13. These results of the CIFF Group are consolidated and are presented in the consolidated financial statements.

The Board of Trustees

The members of the Board of Trustees are set out below. For the purposes of company law, the individuals listed are Directors of the Foundation and are appointed in accordance with the Foundation's constitution. The Board of Trustees meets to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, investment, reserves and risk management policies and performance. The Trustees who were in office during the period and up to the date of signing the financial statements were:

Sir Christopher Hohn
Dr Graeme Sweeney (resigned 13 May 2021)
Mr Ben Goldsmith
Mr Masroor Siddiqui
Ms Ana Marshall (appointed 30 September 2020)
Mr Marko Lehtimäki (appointed 13 May 2021)

The Trustees are selected on the basis of their skills and expertise, particularly in the areas of business management. The Trustees determine the strategy and policies of the Foundation and monitor implementation and impact. The Trustees also serve as resources to the Foundation, sharing new and relevant research and projects, and directly supporting key aspects of operations.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 24 to the financial statements. Trustees are required to disclose all relevant interests and review the Board Members' Register of Interests at each Board meeting. Trustees must register all relevant interests with the Company Secretary and, in accordance with the Foundation's Articles of Association and its policy on conflicts of interest, withdraw from decisions where a conflict of interest arises.

The Foundation provides a formal induction programme for new Trustees and new committee members, including the provision of the Foundation's key governance, policy and financial documents, relevant Charity Commission guidance and details of the organisational structure of the Foundation (including delegated authority levels).

Induction sessions are also arranged to explain the legal obligations of Trustees and committee members and provide briefings from senior operational personnel and professional advisors.

The Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee was established in May 2006 and is constituted by not less than four members appointed by the Board, one of whom must be a Trustee. Other members with appropriate skills and expertise, who need not be Trustees, may be appointed to the Committee by the Board. The current trustee member is Masroor Siddiqui and the five independent members of the Committee are Emmanuel Roman (Chair), Kevin Davis, Richard Hayden, Jacob Schimmel and Ellen Shuman. CIFF's Chief Financial Officer, Director of Financial Control, General Counsel and Deputy General Counsel, are regular attendees of the Committee. The Finance, Audit and Investment Committee has delegated responsibility on behalf of the Board for advising the Trustees on audit, finance and investment matters.

Programme Investment Committee, Climate

The terms of reference of the Programme Investment Committee, Climate ("PIC Climate") were approved in October 2015 and most recently updated in December 2020. The PIC Climate is constituted by at least three Trustees, the Foundation's CEO, CFO and at least three (but no more than eight) independent advisers. The PIC Climate has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's environmental objectives (advancing environmental protection or improvement, including preservation and conservation of the natural environment) and the promotion of sustainable development to mitigate climate change ("Climate Purposes"). The PIC Climate has decision making authority for grant proposals regarding Climate Purposes up to and including US\$30 million.

Programme Investment Committee, Children

The terms of reference of the Programme Investment Committee, Children ("PIC Children") were approved in August 2015 and most recently updated in December 2020. The PIC Children is constituted by at least three Trustees, the Foundation's CEO, CFO and at least three (but no more than eight) independent advisers. The PIC Children has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's non-Climate Purposes. The PIC Children has decision-making authority for grant proposals regarding non-Climate Purposes up to and including US\$30 million.

Impact Investment Committee

The Impact Investment Committee ("IIC") was established with the terms of reference approved in May 2020. The IIC is constituted by at least three Trustees, the Foundation's CEO, CFO and up to two independent two independent advisers (subject to a maximum of six members). The IIC has delegated responsibility on behalf of the Board for advising on the Foundation's impact investments (as defined in "Charities and Investment Matters Guide for Trustees" (CC14) or Charities (Protection and Social Investment) Act 2016, as may be amended). The IIC has decision-making authority for impact investments up to and including US\$100 million.

CEO Delegated Authority

The Board has delegated to the CEO responsibility for receiving, considering and making decisions upon certain grant proposals up to and including US\$1 million. The Terms of Reference for the CEO's delegated authority were approved by the Board on 11 February 2014 and amended on 4 February 2015, 15 August 2015, 23 March 2019 and 10 June 2019. In 2020, this authority was subject to a maximum aggregate limit of 10% of forecast multi-year value ("MYV") of new programmes set out in the relevant financial year's business plan. The CEO also has delegated authority to approve evidence, measurement and evaluation, as well as grantee organisational development grants, in each case up to 1% of MYV.

Risk and Impact Committee

The Risk & Impact Committee ("RIC") was established in May 2020 with final terms of reference approved in March 2021. The RIC is constituted by the General Counsel (Chair), the Chief Impact Officer, CFO, Head of Strategic Engagement and Communications, the Director of Impact Investments and such other of the Foundation's Executive Directors and Directors as the Committee shall determine, subject to a maximum of seven members. The RIC provides quality assurance reviews on the Foundation's impact investments and has delegated decision-making authority for impact investments up to and including a value of US\$1 million, subject to i) a maximum aggregate of US\$ 10 million in any financial year and ii) the terms of reference.

Remuneration Committee

The Remuneration Committee was established in February 2015 and is constituted by at least two Trustees. The current Trustee members are Sir Christopher Hohn and Ana Marshall (Chair). The Remuneration Committee has delegated responsibility on behalf of the Board for determining and reviewing policy for executive remuneration, approving principles and policies of reward throughout the Foundation (including the design of any performance-related pay schemes operated by the Foundation) and determining the total individual remuneration package of the CEO (including annual bonus).

Remuneration Report and Other Governance

The principles of the remuneration policy

The Foundation aims to develop and maintain remuneration strategies and policies in line with the corporate strategy, culture and objectives of the organisation. Our reward and recognition strategies and policies are designed to attract and retain motivated and talented people. We will remain competitive within the markets in which we work to manage a skilled and diverse workforce. Salaries are bench-marked periodically using external market data. Exceptional personal performance, giving due consideration to each role, is reflected in discretionary bonus awards and annual salary reviews.

Remuneration of Key Management Personnel

	31 December 2021 US\$'000	31 December 2020 US\$'000
Executive Directors	3,664	3,248
Employer Pension Contributions	61	73
Employer National Insurance Contributions	374	309
Total Consideration	4,099	3,630

The Key Management Personnel of CIFF for the purposes of remuneration disclosure have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

Relationship with Other Charities

The Foundation is a co-founder and collaborator in a number of projects with a range of other UK and international donors, including, but not limited to foundations, government agencies and private individuals.

Foundation Objectives and Public Benefit

The Foundation's objectives, as stated in its governing document, are the general purposes of such charitable bodies or for such other purposes for the benefit of the community as shall be exclusively charitable as the Trustees may from time-to-time determine.

In setting the Foundation's objectives and planning its activities, the Foundation's Trustees have considered section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Foundation's activities and achievements are outlined throughout this Trustees' Report and we believe fully demonstrate that the Foundation is providing public benefit.

Charity Governance Code

CIFF applies the majority of the principles in the Charity Governance Code (the "Code"). In some cases, including trustee engagement, decision-making and evaluation of charity impact, CIFF is in many ways exceeding the best practice stated in the Code. In other areas, such as equality, diversity and inclusion, CIFF has been undertaking a comprehensive assessment to help it build more effective practices to further its charitable purposes.

Trustees' Responsibility and Financial Statements

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the trustees' report which includes the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006.

Under Company law the trustees 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 Foundation and of the incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Foundation or to cease operations, or have no realistic alternative but to do so.

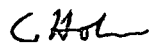
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

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

Independent Audit

The auditors, KPMG, have expressed their willingness to remain in office for a further year.

In approving this Trustees' Annual Report, the Trustees are also approving the Strategic Report in their capacity as company directors.



On behalf of the Board
Sir Christopher Hohn
Chairman
30 June 2021

Independent Auditors Report to the members of the Children's Investment Fund Foundation (UK)



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Children's Investment Fund Foundation (UK) ("the Foundation") and its subsidiaries ("the Group") for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated and Foundation Balance Sheets, Consolidated Cash Flow Statement, and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Foundation's affairs as at 31 December 2021 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Foundation or to cease their operations, and as they have concluded that the Group and the Foundation's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustee's conclusions, we considered the inherent risks to the Group's and Foundation's business model and analysed how those risks might affect the Group and the Foundation's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Foundation will continue in operation.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) (continued)

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's and Foundation's regulatory and legal correspondence; and reading Board and Finance Committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the trustees' report which includes the strategic report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) (continued)

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the trustees' report;
- in our opinion, the information given in the trustees' report is consistent with the financial statements; and
- in our opinion, the trustees' report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 48, the trustees are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clavin
Senior Statutory Auditor
for and on behalf of
KPMG Statutory Auditor
1 Harbourmaster Place
IFRS
Dublin 1
Ireland

30 June 2022

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2021 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	24	-	4,290	-	4,290
Investments	3	-	-	24,468	24,468
Total incoming resources		-	4,290	24,468	28,758
Expenditure on					
Raising funds	3	19,335	-	-	19,335
Charitable activities	4	825,349	2,902	-	828,251
Total resources expended		844,684	2,902	-	847,586
Net gains on investments	13	-	-	694,914	694,914
Foreign Exchange losses	13	(456)	-	-	(456)
Exchange differences on translating foreign currency operations		-	-	-	-
Net Income/(expenditure)		(845,140)	1,388	719,382	(124,370)
Transfers	20	1,153,414	-	(1,153,414)	-
Net movement in funds		308,274	1,388	(434,032)	(124,370)
Fund balances carried forward at 1 January 2021		642,579	6,711	5,356,222	6,005,512
Fund balances carried forward at 31 December 2021		950,853	8,099	4,922,190	5,881,142

The consolidated Statement of Financial Activities ("SOFA") has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 57 to 90 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2020 Total
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	24	60,615	18,561	-	79,176
Investments	3	-	-	17,496	17,496
Total incoming resources		60,615	18,561	17,496	96,672
Expenditure on					
Raising funds	3	13,656	-	-	13,656
Charitable activities	4	357,360	11,850	-	369,210
Total resources expended		371,016	11,850	-	382,866
Net gains on investments	13	-	-	430,914	430,914
Foreign Exchange losses	13	(1,197)	-	-	(1,197)
Exchange differences on translating foreign currency operations		-	-	-	-
Net Income/(expenditure)		(311,598)	6,711	448,410	143,523
Transfers	20	296,206	-	(296,206)	-
Net movement in funds		(15,392)	6,711	152,204	143,523
Fund balances carried forward at 1 January 2020		657,971	-	5,204,018	5,861,989
Fund balances carried forward at 31 December 2020		642,579	6,711	5,356,222	6,005,512

The consolidated SOFA has been prepared on the basis that all activities are continuing.

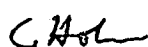
All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 57 to 90 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)
CONSOLIDATED AND FOUNDATION BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

		Group	Group	Foundation	Foundation
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Fixed Assets					
Intangible assets	11	500	500	-	-
Tangible assets	12	9,234	7,502	1,204	1,030
Investments	13	5,899,121	5,964,867	6,788,913	6,137,140
of which loans		1,554,960	2,489,243	5,934,320	5,499,737
of which other investments		4,344,161	3,475,624	854,593	637,403
Total fixed assets		5,908,855	5,972,869	6,790,117	6,138,170
Current Assets					
Debtors	16	14,571	33,071	993	3,319
Cash at bank and in hand	17	424,160	104,371	64,284	55,942
Cash pledged as collateral	17	14,770	95,016	-	-
Total current assets		453,501	232,458	65,277	59,261
Creditors: amounts falling due within one year	18	(257,349)	(165,357)	(756,664)	(193,462)
Net current assets/liabilities		196,152	67,101	(691,387)	(134,201)
Total Assets less current liabilities		6,105,007	6,039,970	6,098,730	6,003,969
Creditors: amounts falling due after one year	19	(223,865)	(34,458)	(217,000)	-
Net Assets		5,881,142	6,005,512	5,881,730	6,003,969
Total funds of the charity:					
Expendable endowment fund	20	4,922,190	5,356,222	4,930,877	5,361,390
Restricted funds	20	8,099	6,711	-	-
Unrestricted funds:					
Designated funds	20	950,853	642,579	950,853	642,579
Total charity funds		5,881,142	6,005,512	5,881,730	6,003,969

The financial statements on pages 53 to 91 were approved by the Trustees and authorised for issue on 30 June 2022, and signed on their behalf by:



Sir Christopher Hohn
Chairman
30 June 2022

The accounting policies and the notes on pages 57 to 90 form part of the Consolidated Financial Statements.

Consolidated Cash Flow Statement

	31 Dec 2021 US\$ '000	31 Dec 2020 US\$ '000
Net cash used in operating activities	(223,811)	(390,039)
Cash flow from investing activities:		
Dividends received	20,817	14,816
Interest received	1,574	5,430
Rental income received	1,685	-
Proceeds from the sale of:		
Investments	2,318,360	1,670,671
Purchase of:		
Tangible fixed assets	(2,183)	(7,026)
Investments	(1,796,044)	(1,743,588)
Net cash used in investing activities	544,209	(59,697)
Cash flows from financing activities		
Interest paid	(153)	(211)
Net cash used in financing activities	(153)	(211)
Change in cash and cash equivalents in the reporting year	320,245	(449,947)
Cash and cash equivalents at the beginning of the reporting year	104,371	555,515
Effect of exchange rate movements on cash and cash equivalents	(456)	(1,197)
Cash and cash equivalents at the end of the reporting year	424,160	104,371

Reconciliation of incoming resources to net cash flows

	31 Dec 2021 US\$ '000	31 Dec 2020 US\$ '000
Net gain/(loss) for the reporting year (as per the statement of financial activities)	(124,370)	143,523
Adjustments for:		
Net gain on investments	(456,570)	(408,826)
Dividends income	(21,209)	(14,262)
Foreign exchange movements	456	1,197
Interest income on investments	(1,574)	(3,234)
Interest expense	317	184
Depreciation charges	451	361
(Increase)/decrease in debtors	17,207	(17,132)
(Increase)/decrease in cash pledged as collateral	80,246	(19,036)
(Decrease)/increase in creditors	281,235	(72,814)
Net cash used in operating activities	(223,811)	(390,039)

The accounting policies and the notes on pages 57 to 90 form part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

a) Basis of accounting

The Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments, and have been prepared in accordance with the Statement of Recommended Practice ("SORP") 'Accounting and Reporting by Charities' (published 2015), the Charities Act 2011, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006.

The Children's Investment Fund Foundation (UK) (the "Foundation") including its subsidiaries undertakings (the "Group") applied the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 'Financial Instruments' and the disclosure and presentation requirements of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

The Foundation is a public benefit entity and has adapted the Companies Act formats to reflect the Charities SORP and the nature of the Foundation's activities.

The Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Trustees made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Trustees are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

b) Functional currency and presentational currency

These financial statements are presented in United States Dollar ("US\$"), which is the Group's functional currency. 'Functional currency' is the currency of the primary economic environment in which the Group operates. The Group's investments, grants and expenditures are denominated and paid mostly in US\$. Accordingly, the Board has determined that the functional currency of the Group is United States Dollar. All amounts have been rounded to the nearest thousand, unless otherwise indicated and the terminology 'k' will be used to refer to thousands through the financial statements.

c) Basis of consolidation

The Consolidated Statements of Financial Activities ("SOFA"), Balance Sheets and Cash Flow Statements incorporate the results of The Children's Investment Fund Foundation (UK) (the "Foundation") and its subsidiary undertakings, CIFF (UK) Trading Limited ("CIFF Trading"), CIFF (UK) Newco Limited ("CIFF Newco"), Talos Capital Designated Activity Company ("Talos"), CIFF Nutrition (UK) Limited ("CIFF Nutrition"), CIFF Capital UK LP ("CIFF Capital"), CIFF Investments LLP ("CIFF Inv"), CIFF Investments II Limited ("CIFF II"), CIFF Investments III LLP ("CIFF III"), CIFF IP Co Limited ("CIFF IP"), CIFF Water Limited ("CIFF Water"), CIFF General Partner Limited ("CIFF GP"), 86th Street Lender LLP ("86th LLP"), 11th Avenue Lender LLP ("11th LLP") and Chiswick Riverside LLP ("Chiswick"). The consolidated entity is referred to as the "Group". No separate SOFA and Cash Flow Statement have been presented for the Foundation alone as permitted by Section 408 of the Companies Act 2006 and SORP. Intra-group balances are eliminated fully on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those used by the Group.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate Financial Statements are set out below in paragraphs (a) to (q). The policies have been consistently applied to all periods presented, unless otherwise stated.

a) Critical accounting estimates and judgements in applying accounting policies

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported valuations of assets and liabilities within the financial year. Actual results may differ from those estimates. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below and in Notes 13 and 14 for investments.

b) New and amended standards and interpretations

There have been no adoptions of new or amended standards during 2021 that resulted in a significant impact to the Group.

There are presently no new standards, amendments or interpretations to existing standards that are not yet effective that would be expected to have significant impact on the Group.

c) Incoming resources

All incoming resources are accounted for when the Group is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income earned on loan investments is recorded within 'Net gains on investments' due to the loans being held at fair value. Interest income on cash balances is recorded in SOFA within 'Income from investments'. Dividend income and expenses, when the underlying security is held directly by the Group, is recognised on ex-dividend date, net of foreign withholding taxes in SOFA within 'Income from investments'. Withholding tax is accounted for on an accruals basis. For those securities held via an intermediary, the dividends are accounted for when notified. Rental income earned from the investment property is recorded within 'Income from investments' on an accruals basis and is receivable monthly in advance.

Donations are recognised when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to either the sectoral charitable activity areas or cost categories. For expenditure incurred across the sectors, amounts are attributed to each area based on the granting activities undertaken during the financial period. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient. Multi-year grants are subject to periodic reviews and conditionality such that the liability is recognised in most cases annually, when the criteria for recognising the liability are met.

Support costs, other than direct costs for each sectoral activity area and excluding any restricted expenditure, are re-allocated to each of the activities on the following basis, which is an estimate based on annual grant commitments levels, excluding Big Win Philanthropy commitments:

	2021	2020
Climate Change	50.5%	45.2%
Sexual & Reproductive Health & Rights	20.0%	18.9%
Girl Capital	2.5%	3.1%
Child Health & Development	22.7%	25.0%
Child Protection	0.2%	1.9%
Cross Cutting	4.1%	5.9%

Activities undertaken directly relate to expenditure incurred by the Foundation through direct service provision or work undertaken by the Foundation that contributes directly to the Foundation's objectives.

Other sectoral teams that have continued to support the Foundation's activities, i.e. Strategic Engagement and Communications, Evidence, Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

Expenditure incurred in relation to the Foundation's restricted activities are costs specifically identifiable and relevant to the restrictions assigned to those activities and therefore can be allocated to the restricted funds.

e) Financial assets and liabilities

i) Financial assets

Initial recognition and measurement

As per paragraphs 11.2 and 12.2 of FRS 102 the Group has elected to adopt the recognition and measurement requirements of IFRS 9.

Under IFRS 9 'Financial Instruments', financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss ("FVPL"). Purchases and sales of investments are recognised on their trade date, which is the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Foundation has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, financial assets are measured at FVPL. Gains and losses arising from changes in the fair value of the investments category are included in the SOFA in the year in which they arise and are based on the First-In, First-Out ("FIFO") method.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

In accordance with IFRS 9, the Group classifies its financial assets at initial recognition into the categories discussed below.

2. ACCOUNTING POLICIES (CONTINUED)

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI"). The Group includes in this category short-term non-financing receivables including cash at bank and in hand, cash pledged as collateral and debtors.

Financial assets measured at fair value through profit or loss

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group includes in the FVPL category all investments in loans, concessionary loans, real estate loans (principal amount plus accrued interest receivable), listed equities, derivatives in an asset position, investment properties, corporate bonds, private placement and investment funds.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For these financial assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group classifies the following financial assets under amortised cost: cash at bank and in hand, cash pledged as collateral and debtors. Cash at bank and in hand and cash pledged as collateral comprise cash at banks and in hand, on demand and interest bearing deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and their carrying amounts approximate amortised cost. The loss allowance is based on lifetime expected credit losses. All material counterparties have an investment grade credit rating by Moody's/S&P of A1/A+ or higher and there is no history of defaults/non-payment and all receivables' balances are short term (<1 year).

The Group only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted the simplified approach to ECLs. No ECL impairment allowance has been recorded against the Group's receivables during the year. The ECL is not relevant to financial assets at fair value through profit or loss and financial liabilities designated at fair value through profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the SOFA under 'Net gains on investments'. Any interest in such transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and include loans and borrowings, payables, and derivatives in a liability position, as appropriate. All financial liabilities are recognised initially at fair value.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities, other than those measured at FVPL. The Group includes in this category amounts due to brokers, grants, accruals and deferred income and other payables.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in SOFA in the year in which they arise and are based on the FIFO method. Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

The senior delayed drawdown variable rate notes ("Notes") were designated at FVPL at inception. The Group did not designate any derivatives as hedges in a hedging relationship and includes in this category derivative contracts in a liability position.

2. ACCOUNTING POLICIES (CONTINUED)

f) Investments

Listed and unlisted securities

Securities listed or quoted on any securities exchange and regularly traded thereon are valued at fair value. The fair value of an investment is based on its quoted market price.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, other than loans and receivables, will be valued at their fair value based on information provided by TCI Fund Management Limited's ("TCI FM" or the "Investment Manager") portfolio management team such as using the latest available redemption price for investment funds.

Because of their inherent uncertainty, estimated fair values may differ from the values that would have been used had a ready market for the securities existed.

Unfunded commitments

The Group may invest in loans and securities which incorporate a commitment that it will be obliged to pay at a future date if called upon by the counterparty. The timing and amounts of settlement of these potential obligations are uncertain at year end.

Due to these uncertainties the Group does not recognise these amounts as liabilities on its Consolidated Balance Sheet, however these amounts are disclosed as contingent commitments in Note 22.

Derivative contracts

Derivative contracts ("derivatives") are recognised at fair value on the date on which the derivative is entered into and are subsequently re-measured at their fair value on an ongoing basis. Fair values are obtained from quoted market prices in active markets, including recent market transactions. Where quoted prices are not available the investments are valued using information provided by counterparties to the contracts.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the SOFA.

The Group enters into forward foreign exchange contracts. Forward foreign exchange contracts are fair valued on a daily basis using the forward contracted rate derived from readily available market data. When the contract is closed, the Group records realised gains/losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Forward foreign exchange contracts are fair valued using the forward contracted rate derived from readily available market data. As at 31 December 2021 the Group held forward foreign exchange contracts with an aggregate fair value and net liability position of US\$406k (2020: net liability position of US\$54,974k).

The Group enters into swap agreements which represent agreements that obligate two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of a particular security or index and a specified notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore, amounts required for the future satisfaction of the swap may be greater or less than the amount recorded. The realised gain or loss depends upon the prices at which the underlying financial instruments of the swap is valued at the swap's settlement date and is included in the SOFA. Unrealised gains or losses are fair valued in and the resulting movement in the unrealised gain or loss is recorded in the SOFA. As at 31 December 2021, the Group held equity swaps with an unrealised loss of US\$222k (2020: US\$ nil).

Investment funds

The Group invests in investment funds ("Investee Funds") which are subject to the terms and conditions of the Investee Funds' offering documentation. The investment in the Investee Funds are primarily valued based on the latest available redemption price of such units for the Investee Fund, as determined by the administrator of the Investee Fund. Where a readily ascertainable market valuation is not available, the Investee Funds are valued at cost less any expected losses (see Note 13). When a share/unit is sold the Group recognises the realised gains/(losses). Other changes in fair value of the Investee Funds are recorded as unrealised gains/(losses). At 31 December 2021, the Group held investment fund positions of US\$61,001k (2020: US\$66,482k).

Investment property

The Group invested in an investment property comprising wholly of UK-based freehold land and buildings leased to third parties. The Group's policy is to include the investment property within investments at their fair value, which is usually equivalent to the open market value.

Leased assets

The annual rentals for operating leases are charged to the SOFA on a straight-line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are held at cost, less impairment in the Foundation Balance Sheet, apart from the investment in CIFF Capital UK LP which is held at fair value.

2. ACCOUNTING POLICIES (CONTINUED)

Loans

The Group invests in Real Estate and Corporate Loans which are accounted for on a fair value basis. Fair values are calculated with reference to discounted cash flow models on the expected future cash flows of each loan investment constructed by external valuers. The movements in the fair values are included within "Net gains on investments" in the SOFA. Please refer to Note 14 which details information surrounding the significant unobservable inputs of these loan investments.

Private placement

Private placement securities are not registered for public sale and are carried at an estimated fair value at each valuation point, as determined by the Group, in consultation with the Investment Manager's portfolio management team, with reference to recent funding rounds and performance updates provided by the investment management's team. At 31 December 2021, the Group held one private placement position (2020: one private placement position), which has been fair valued at US\$nil (2020: US\$nil).

Programme related investment

Programme related investments are a type of social investment and are made directly in pursuit of the Foundation's charitable purposes. The primary motivation for making a programme related investments is not for financial gain but to further our charitable objects. Programme related investments can generate some financial return, and the funding may or may not be provided on commercial terms. The current programme related investments portfolio consists of a number of fund and private placement investments which follow the respective investments accounting policy and as at 31 December 2021 amounted to US\$12,633k (2020: US\$25,439k).

The Foundation also classified concessionary loans as programme related investment as the primary purpose for this investment is to further the accomplishment of their charitable purposes through facilitating the success of the number of Programmes. The Foundation has elected to initially recognise and measure the loan at the amount paid with the repayments reflected in subsequent years. Concessionary loans for the year ended 31 December 2021 amounted to US\$3,000k (2020: US\$8,000k) and are presented within Programme Related investments throughout the notes to the accounts.

Mixed motive investments

Mixed motive investments are made in pursuit of the Foundation's charitable purposes and financial gains. The current mixed motive investment portfolio consists of a number of fund investments which follow the investment policy. Mixed motive investments as at 31 December 2021 amounted to US\$34,265k (2020: US\$11,410k).

g) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into US\$ at the foreign currency spot rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the foreign currency spot rates of exchange at the date of the transaction. Differences arising on settlement and translation of monetary items are recognised in the SOFA.

The year end rate prevailing on the balance sheet date was US\$1 : £0.74 (2020: US\$1 : £0.73). For consolidation purposes, balance sheets of subsidiaries reported in Pound Sterling currency ("GBP" or "£") have been converted into US dollar at the foreign exchange rate as at 31 December 2021. For all GBP reported profit and loss accounts of subsidiaries, the average foreign exchange rate for the relevant period has been applied at USD rate of US\$1 : £0.73 (2020: US\$1 : £0.78).

h) Intangible assets and amortisation

Intangible assets that are acquired and developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment loss.

Amortisation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life of 10 years. The amortisation will commence once the intangible product's development is completed.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the SOFA as incurred.

i) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life. The estimated useful economic lives of fixtures and fittings is 5 years and plant and machinery is 8 years.

Tangible fixed assets are reviewed annually for impairment. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

2. ACCOUNTING POLICIES (CONTINUED)

j) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Group's counterparties on demand and interest bearing deposits with original maturities of less than 3 months. For each separate account at each prime broker, cash can only be withdrawn so long as there is a sufficient collateral excess within the account.

k) Cash pledged as collateral

Cash pledged as collateral includes balances held at year end with the Group's prime brokers and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin requirements with each broker at the year-end date.

l) Amounts due from/to brokers

Amounts due from brokers include cash from investments sold but which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement. Amounts due to brokers include cash from investments purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

m) Debtors

Amounts due from debtors are measured at transaction price, less any impairment.

n) Creditors

Amounts due to creditors are measured at the transaction price.

o) Funds

Designated funds are the unrestricted funds that have been set aside for a particular purpose by the Trustees. Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted funds arise when the funds are specified as such by the donor or when funds are raised for particular restricted purposes.

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income on investments is accounted for within the Expendable Endowment Fund. When the Foundation is unable to meet its commitments from reserves of Unrestricted Funds, there would be a transfer from the Expendable Endowment to Unrestricted Funds to meet those commitments.

p) Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

q) Operating Leases

The investment property was leased to tenants under operating leases with rentals payable monthly. The Group has also entered into an operating lease for plant and machinery for US\$nil consideration.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

3. INCOME FROM INVESTMENTS AND EXPENDITURE ON RAISING FUNDS

3 (a) *Income from investments*

The investment income arises from interest received on cash deposits, interest income earned on loans and receivables is recorded, rental income from investment properties, and dividend income from equity securities within the portfolio held by the Group. The dividend income is recorded at ex-dividend date, gross of foreign withholding taxes. Withholding tax is recorded on an accruals basis. All rental income is derived from investment properties in the United Kingdom.

	Group year ended 31 December 2021 US\$ '000	Group year ended 31 December 2020 US\$ '000
Dividend income	21,209	14,262
Interest income	1,574	3,234
Rental income	1,685	-
	24,468	17,496

3 (b) *Expenditure on raising funds*

The expenditure of raising funds of US\$19,335k (2020: US\$13,656k) includes expenditure relating to managing subsidiaries holding endowment investments including brokerage charges, intermediary fees and investment management fees.

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding of activities 2021 ⁽²⁾ US\$ '000	Activities Undertaken Directly 2021 ⁽¹⁾ US\$ '000	Support Cost 2021 ⁽³⁾ US\$ '000	Total Charitable Activities 2021 US\$ '000
Climate Change	213,494	440	18,065	231,999
Sexual & Reproductive Health & Rights	84,706	286	7,707	92,699
Girl Capital	10,693	-	838	11,531
Child Health & Development	95,919	262	6,183	102,356
Child Protection	688	-	994	1,682
Cross Cutting ⁽⁴⁾	377,242	1,750	8,984	387,976
	782,742	2,738	42,771	828,251

	Grant funding of activities 2020 ⁴ US\$ '000	Activities Undertaken Directly 2020 ⁴ US\$ '000	Support Cost 2020 ⁴ US\$ '000	Total Charitable Activities 2020 ⁴ US\$ '000
Climate Change	151,397	611	11,275	163,283
Sexual & Reproductive Health & Rights	63,226	281	5,836	69,343
Girl Capital	10,251	25	605	10,881
Child Health & Development	83,737	79	6,714	90,530
Child Protection	6,431	-	1,165	7,596
Cross Cutting ⁽⁴⁾	19,734	1,057	6,786	27,577
	334,776	2,053	32,381	369,210

(1) See note 5

(2) See note 6

(3) See note 7

(4) The Group's and Foundation's activities including Strategic Engagement and Communications, Evidence Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

5. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of US\$2,738k (2020: US\$2,053k) on charitable activities was mainly to further CIFF's mission; providing technical assistance and training to grantees and other charitable organisations; and publishing and disseminating reports on research findings.

6. GRANT FUNDING OF ACTIVITIES

Group and Foundation 2021	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants							
Becton Dickinson	-	5,750	-	-	-	-	5,750
Big Win Philanthropy	-	-	-	-	-	360,000	360,000
C40 Cities climate Leadership Group Inc.	15,500	-	-	-	-	-	15,500
CDP	5,044	-	-	-	-	-	5,044
Clean Air Fund	6,700	-	-	-	-	264	6,964
Client Earth	5,455	-	-	-	-	341	5,796
Crown Agents	-	-	-	13,128	-	-	13,128
DKT International	-	4,680	-	-	-	-	4,680
Energy Foundation China	11,600	-	-	900	-	-	12,500
European Climate Foundation	42,959	-	-	-	-	314	43,273
Foundation for International Law for the Environment	21,955	-	-	-	-	300	22,255
Global Fund to fight AIDS, Tuberculosis and Malaria	-	5,931	-	-	-	-	5,931
Instituto Clima e Sociedade	4,686	-	-	-	-	-	4,686
IPE Global Limited	-	-	3,618	5,946	-	-	9,564
Living Goods	-	-	-	6,247	-	752	6,999
Marie Stopes International	-	19,441	-	-	-	-	19,441
Meridian Institute	4,450	-	-	-	-	-	4,450
One Acre Fund	-	-	-	5,372	-	-	5,372
Other Grantees ⁽¹⁾	57,686	21,088	7,075	27,120	688	14,771	128,428
PSI	-	9,422	-	-	-	-	9,422
Rockefeller Philanthropy Advisors, Inc	18,767	-	-	-	-	500	19,267
Sightsavers	-	-	-	4,915	-	-	4,915
Splash.org	-	-	-	4,770	-	-	4,770
Swiss Philanthropy Foundation	4,728	-	-	-	-	-	4,728
The Sunrise Project	7,164	-	-	-	-	-	7,164
Triggerise	-	8,394	-	-	-	-	8,394
United Nations Children's Fund	-	-	-	10,818	-	-	10,818
United Nations Population Fund	-	10,000	-	-	-	-	10,000
World Resources Institute	6,800	-	-	-	-	-	6,800
World Vision Ethiopia	-	-	-	16,703	-	-	16,703
Total charitable grants	213,494	84,706	10,693	95,919	688	377,242	782,742

Group and Foundation 2020	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Grantees receiving charitable grants							
ALMA Fiscal Agent, Malaria No More	-	-	-	-	-	3,749	3,749
CDP	8,431	-	-	-	-	-	8,431
Client Earth	8,468	-	-	-	-	-	8,468
Climate Works Foundation	3,214	-	-	-	-	-	3,214
DKT International	-	4,988	-	-	-	-	4,988
Educate Girls	-	-	3,500	-	-	-	3,500
Energy Foundation China	7,250	-	-	-	-	-	7,250
European Climate Foundation	52,214	-	-	-	-	160	52,374
Federal Ministry of Health, Ethiopia	-	-	-	4,436	-	-	4,436
Foundation for International Law for the Environment	12,754	-	-	-	-	300	13,054
Global Alliance for Improved Nutrition	-	-	-	3,992	-	-	3,992
Global Fund to fight AIDS, Tuberculosis and Malaria	-	9,000	-	-	-	-	9,000
Instituto Clima e Sociedade	4,614	-	-	-	-	-	4,614
IPE Global Limited	-	-	1,124	3,500	-	17	4,641
Jhpiego	-	-	-	3,029	-	-	3,029
Living Goods	-	-	-	7,247	-	-	7,247
One Acre Fund	-	-	-	7,424	-	-	7,424
Orbis	-	-	-	4,893	-	-	4,893
Other Grantees ⁽¹⁾	36,465	25,493	5,627	22,324	6,431	15,128	111,468
PSI	-	17,921	-	-	-	-	17,921
Splash.org	-	-	-	5,830	-	-	5,830
The Power of Nutrition	-	-	-	3,491	-	75	3,566
The Sunrise Project	7,487	-	-	-	-	-	7,487
Triggerise	-	5,824	-	-	-	55	5,879
United Nations Children's Fund	-	-	-	3,595	-	250	3,845
United Nations Office for Project Services	5,500	-	-	-	-	-	5,500
William Marsh Rice University	-	-	-	8,150	-	-	8,150
World Resources Institute	5,000	-	-	-	-	-	5,000
World Vision Ethiopia	-	-	-	5,826	-	-	5,826
Total charitable grants	151,397	63,226	10,251	83,737	6,431	19,734	334,776

⁽¹⁾ The grants included within 'Grants to other organisations' for 2021 totalled less than US\$4.0m (2020: US\$3.0m) in value for each organisation. The threshold for disclosure of individual grantees has been increased in 2021 for presentational purposes. The 2020 disclosure has been restated to align to the higher threshold.



7. ALLOCATION OF SUPPORT COSTS

	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2021							
Support costs							
Staff costs (Note 9)	11,079	4,736	501	3,370	760	7,155	27,601
Office expenses	3,328	1,308	166	1,479	16	322	6,619
Governance costs (Note 8)	2,242	890	112	1,009	7	180	4,440
Travel and subsistence	80	28	6	42	7	24	187
Consultancy and contractor costs	1,336	745	53	283	204	1,303	3,924
Total support costs allocated to charitable activities	18,065	7,707	838	6,183	994	8,984	42,771
2020							
Support costs							
Staff costs (Note 9)	6,987	3,790	342	4,148	853	5,410	21,530
Office expenses	2,267	896	142	1,185	107	314	4,911
Governance costs (Note 8)	1,146	478	78	634	49	148	2,533
Travel and subsistence	234	156	10	191	78	120	789
Consultancy and contractor costs	641	516	33	556	78	794	2,618
Total support costs allocated to charitable activities	11,275	5,836	605	6,714	1,165	6,786	32,381

The allocation method of support costs have been discussed in Note 2(d).

8. GOVERNANCE COSTS

	Group year ended 31 December 2021 US\$ '000	Group year ended 31 December 2020 US\$ '000
Auditors' remuneration	296	358
Legal fees	4,074	1,919
Professional fees	70	256
	4,440	2,533

The auditors' remuneration, for the year ended 31 December 2021 is split between KPMG US\$274k (2020: US\$340k), S.P. Nagrath (India liaison office auditors) US\$10k (2020: US\$10k), Mazars (China office auditors) US\$8k (2020: US\$8k) and MSE Auditors Partnership (Ethiopia office auditors) US\$4k (2020: US\$nil). In 2021 non-audit fees paid to KPMG were US\$nil (2020: US\$13k) in relation to other professional services.

9. STAFF COSTS

	Group and Foundation year ended 31 December 2021 US\$ '000	Group and Foundation year ended 31 December 2020 US\$ '000
Wages and salaries	22,701	16,830
Social security costs	1,924	1,436
Other pension costs	1,054	762
	25,679	19,028
Other staff costs	1,922	2,502
Total staff costs	27,601	21,530

The average monthly number of employees (based on the 12-month period) who were employed during the year totalled: 167 (2020: 132). The staff numbers were split between direct activities: 132 (2020: 102) and indirect support: 35 (2020: 30). The number of employees of the Group and Foundation whose remuneration paid in the financial year fell within the following bands were:

Total Remuneration Bandings	Group and Foundation 2021	Group and Foundation 2020
\$85k - \$99k	9	7
\$99k - \$113k	17	12
\$113k - \$127k	7	7
\$127k - \$141k	11	9
\$141k - \$155k	6	3
\$155k - \$169k	5	3
\$169k - \$183k	1	8
\$183k - \$197k	11	-
\$197k - \$211k	2	4
\$211k - \$225k	2	2
\$225k - \$239k	2	2
\$239k - \$254k	1	1
\$254k - \$268k	5	1
\$268k - \$282k	2	1
\$282k - \$296k	-	1
\$296k - \$310k	2	2
\$338k - \$352k	1	-
\$352k - \$366k	1	-
\$366k - \$380k	1	2
\$394k - \$408k	-	1
\$408k - \$423k	-	1
\$423k - \$437k	2	-
\$437k - \$451k	1	-
\$451k - \$465k	1	-
\$465k - \$479k	-	1
\$521k - \$535k	-	1
\$591k - \$605k	1	-

Charity SORP requires disclosure of the number of employees whose total employee benefit (excluding employer pension costs) exceeded £60k during the reporting period split in bands of £10k. CIFF use a functional and presentational currency of USD therefore a threshold of \$85k and bandings of \$14k have been used, which materially translate to the GBP SORP requirements. Salaries include benefits in kind and are paid in a number of currencies including GBP, which has been translated at the average rate of US\$1:£0.73 (2020: US\$1:£0.78).

The contributions in the year for the provision of a defined contribution pension scheme to employees of the Foundation were US\$981k (2020: US\$684k). The number of staff who were members of the scheme was 211 (2020: 150).

The Trustees did not receive any remuneration for their services during the year (2020: US\$nil). The Trustees' expenses reimbursed for travel and subsistence during the year amounted to US\$12k (2020: US\$1k). In 2021, the reimbursed expenses are related to one trustee (2020: one trustee).



Remuneration of Key Management Personnel	31 December 2021 US\$'000	31 December 2020 US\$'000
Executive Directors	3,664	3,248
Employer Pension Contributions	61	73
Employer National Insurance Contributions	374	309
Total Consideration	4,099	3,630

The Key Management Personnel of CIFF have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

10. TAXATION

The Group Companies, CIFF Capital, CIFF Trading, CIFF Newco, CIFF Nutrition, CIFF Inv, CIFF II, CIFF III, CIFF IP, CIFF GP, CIFF Water, 86th LLP, 11th LLP and Chiswick did not realise any taxable profit in this financial year, therefore have no tax liability. The subsidiary company, Talos, incurred US\$1k (2020: US\$1k) of Irish corporation tax and US\$nil of withholding tax (2020: US\$672k). In 2021, the subsidiary company, CIFF II, incurred US\$3k deferred tax expense (2020: US\$3k deferred tax assets).

11. INTANGIBLE FIXED ASSETS

Group	31 December 2021 US\$ '000	31 December 2020 US\$ '000
Cost brought forward	500	500
Additions during the year	-	-
At year end	500	500
Amortisation brought forward	-	-
Charge for the year	-	-
At year end	-	-
Net book value		
At year end	500	500

The intangible asset continues to be under development and testing during 2021. As per FRS 102, no amortisation is recorded as the intangible asset is not ready for its intended use.

12. TANGIBLE FIXED ASSETS

Group	Machinery 31 December 2021 US\$' 000	Fixtures and Fittings 31 December 2021 US\$' 000	Total 31 December 2021 US\$' 000	Total 31 December 2020 US\$' 000
Cost brought forward	6,472	1,982	8,454	1,428
Additions during the year	1,558	625	2,183	7,026
Disposals during the year	-	-	-	-
At year end	8,030	2,607	10,637	8,454
Depreciation brought forward	-	952	952	591
Charge for the year	-	451	451	361
At year end	-	1,403	1,403	952
Net book value At year end	8,030	1,204	9,234	7,502

The machinery has been under construction during the year. As the asset is not ready for its intended use no depreciation is recorded in 2021.

Foundation	Fixtures and Fittings 31 December 2021 US\$' 000	Fixtures and Fittings 31 December 2020 US\$' 000
Cost brought forward	1,982	1,428
Additions during the year	625	554
Disposals during the year	-	-
At year end	2,607	1,982
Depreciation brought forward	952	591
Charge for the year	451	361
At year end	1,403	952
Net book value At year end	1,204	1,030

13. INVESTMENTS

Group Investments

The tables below present the Group investments asset and liability composition:

Group Financial Assets	Notes	31 December 2021 US\$ '000	31 December 2020 US\$ '000
Equities		4,147,104	3,372,112
Investment funds	13(d)	61,001	66,482
Investment properties		71,945	-
Mixed motive investments	13(c)	34,265	11,410
Programme related investments	13(b)	12,633	25,439
Forward foreign exchange contracts		17,213	180
		4,344,161	3,475,623
Loans and receivables		1,554,960	2,489,244
Total Financial Assets		5,899,121	5,964,867

Group Financial Liabilities	Notes	31 December 2021 US\$ '000	31 December 2020 US\$ '000
Equity swaps		222	-
Forward foreign exchange contracts	18	17,619	55,154
Total Financial Liabilities		17,841	55,154

Gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	Year ended 31 December 2021 US\$ '000	Year ended 31 December 2020 US\$ '000
Realised gains/(losses) on financial assets and liabilities	645,569	616,642
Unrealised gains/(losses) on financial assets and liabilities	49,345	(185,728)
	694,914	430,914
Foreign exchange gains/(losses) on financial assets and liabilities	(456)	(1,197)
	694,458	429,717

The table below presents the movement of the group financial assets from the 31st of December 2020 to the 31st of December 2021:

Group	Fair value at 31/12/20 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/21 US\$ '000	Cost at 31/12/21 US\$ '000
UK	802,137	318,417	(736,023)	(2,085)	382,446	477,090
Overseas	1,790,438	65,965	(484,828)	(19,216)	1,352,359	1,518,910
Total unquoted	2,592,575	384,382	(1,220,851)	(21,301)	1,734,805	1,996,000
UK	-	66,114	-	6,801	72,915	66,114
Overseas	3,372,292	1,345,548	(1,097,509)	471,070	4,091,401	3,292,273
Total quoted	3,372,292	1,411,662	(1,097,509)	477,871	4,164,316	3,358,387
Total	5,964,867	1,796,044	(2,318,360)	456,570⁽¹⁾	5,899,121	5,354,387

⁽¹⁾ The difference between total gains above of US\$456,570k and the SOFA gain of US\$694,458k, (sum of net gains on investments of US\$694,914k and foreign exchange losses of US\$456k) is due to the interest on loans of US\$143,715k and unrealised loss on short forward foreign exchange contracts of US\$94,173k which are disclosed within creditors: amounts falling due within one year and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the foreign exchange overlay.

The table below presents the movement of the group financial assets from the 31st of December 2019 to the 31st of December 2020:

Group	Fair value at 31/12/19 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/20 US\$ '000	Cost at 31/12/20 US\$ '000
UK	602,558	156,839	(11,598)	54,337	802,137	1,385,626
Overseas	1,709,003	767,979	(616,597)	(96,946)	1,790,438	1,815,610
Total unquoted	2,311,561	924,818	(628,195)	(15,609)	2,592,575	3,201,236
UK	-	-	-	-	-	-
Overseas	3,171,563	818,770	(1,042,476)	424,435	3,372,292	2,814,233
Total quoted	3,171,563	818,770	(1,042,476)	424,435	3,372,292	2,814,233
Total	5,483,124	1,743,588	(1,670,671)	408,826⁽¹⁾	5,964,867	6,015,469

⁽¹⁾ The difference between total gains above of US\$408,826k and the SOFA gain of US\$429,717k, (sum of net gains on investments of US\$430,914k and foreign exchange losses of US\$1,197k) is due to the interest on loans of US\$204,367k and unrealised loss on short forward foreign exchange contracts of US\$183,476k which are disclosed within creditors: amounts falling due within one year and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the Foreign exchange overlay.

Foundation Investments

The table below presents the Foundation's investment composition:

	Notes	31 December 2021 US\$ '000	31 December 2020 US\$ '000
Investment in subsidiaries	13(a)	764,257	556,414
Programme related investments	13(b)	12,633	25,439
Mixed motive investments	13(c)	34,265	11,410
Loan to subsidiary	13(e)	5,931,320	5,491,737
Investment funds	13(d)	46,438	52,140
Total Financial Assets		6,788,913	6,137,140

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2020 to the 31st of December 2021:

	Fair value at 31/12/20 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value At 31/12/21 US\$ '000	Cost at 31/12/21 US\$ '000
UK	6,041,320	512,761	(549,583)	682,731	6,687,229	6,004,498
Overseas	88,989	19,394	(19,644)	4,597	93,336	153,721
Total unquoted	6,130,309	532,155	(569,227)	687,328	6,780,565	6,158,219

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2019 to the 31st of December 2020:

	Fair value at 31/12/19 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value At 31/12/20 US\$ '000	Cost at 31/12/20 US\$ '000
UK	-	5,491,737	-	549,583	6,041,320	5,491,737
Overseas	5,845,194	16,699	(5,975,801)	202,897	88,989	137,967
Total unquoted	5,845,194	5,508,436	(5,975,801)	752,480	6,130,309	5,629,704

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2020 to the 31st of December 2021:

	Cost at 31/12/20 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/21 US\$ '000
UK	6,831	1,586	(69)	8,348
Total quoted	6,831	1,586	(69)	8,348

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2019 to the 31st of December 2020:

	Cost at 31/12/19 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/20 US\$ '000
UK	41,882	6,712	(41,763)	6,831
Total quoted	41,882	6,712	(41,763)	6,831

13. INVESTMENTS (continued)

13 (a) Investments in subsidiaries

The table below details the investments held by the Foundation in its subsidiaries:

Entity	Incorporated in	% Holding	Purpose	Profit/(loss) US\$ '000	
				2021	2020
CIFF (UK) Trading Limited ("CIFF Trading")*	England & Wales	100	(1)	-	(3)
CIFF (UK) Newco Limited ("CIFF Newco")*	England & Wales	100	(2)	-	(3)
Talos Capital Designated Activity Company ("Talos")	Ireland	100	(3)	4	4
CIFF Nutrition (UK) Limited ("CIFF Nutrition")*	England & Wales	100	(4)	-	(2)
CIFF Capital UK LP ("CIFF Capital")	England & Wales	100***	(5)	(680,924)	(549,583)
CIFF Investments LLP ("CIFF Inv")	England & Wales	100**	(6)	15,945	7,926
CIFF IP Co Limited ("CIFF IP")	England & Wales	100	(7)	(20)	(17)
CIFF Investments II Limited ("CIFF II")	England & Wales	100**	(8)	12,496	15,707
CIFF Investments III LLP ("CIFF III")	England & Wales	100**	(9)	5,022	4,713
CIFF General Partner Limited ("CIFF GP")	England & Wales	100	(10)	-	-
CIFF Water Limited ("CIFF Water")	England & Wales	100	(11)	(34)	(15)
86th Street Lender LLP ("86th LLP")	England & Wales	100**	(12)	274	1,070
11th Avenue Lender LLP ("11th LLP")	England & Wales	100**	(13)	(42,127)	(461)
Chiswick Riverside LLP ("Chiswick")	England & Wales	98	(14)	517	-

* In liquidation

** Indirect holdings

*** Economic entitlement only

- (1) In April 2020, CIFF Trading resigned from CIFF Inv and transferred its interest in CIFF Inv to CIFF II. In November 2021, it was placed into voluntary liquidation and the voluntary liquidator was appointed. As of 31 December 2021, the liquidation is ongoing.
- (2) CIFF Newco was a holding company for certain CIFF UK investment. In November 2021, it was placed into voluntary liquidation and the voluntary liquidator was appointed. As of 31 December 2021, the liquidation is ongoing.
- (3) Talos held an underlying investment portfolio that was managed to provide the Foundation with investment return prior to restructure in 2020. During the restructuring in 2020, investment assets held by Talos were transferred to CIFF Capital. At 31 December 2021, its total assets amounted to US\$45,644k (2020: US\$17,674k), total liabilities amounted to US\$45,624k (2020: US\$17,658k), and net assets amounted to US\$20k (2020: US\$16k).
- (4) CIFF Nutrition was established to promote ready-to-use Therapeutic Foods in developing countries in furtherance of the Foundation's charitable activities. In November 2021, it was placed into voluntary liquidation and the voluntary liquidator was appointed. As of 31 December 2021, the liquidation is ongoing.
- (5) CIFF Capital was formed by limited partnership deed between the Foundation, TCI General Partner Limited and TCI Fund Management Limited. It has been established to hold investment assets for the Foundation. In 2020, CIFF GP replaced TCI General Partner Limited as general partner. CIFF Capital at all times acts through CIFF GP. Between May 2020 and October 2020, it acquired all economic interests in the Foundation's endowment investment portfolio, previously held by Talos, to provide the Foundation with investment return. At 31 December 2021, its total assets amounted to US\$6,673,572k (2020: US\$6,140,368k), total liabilities amounted to US\$5,992,648k (2020: US\$5,590,785k) and net assets amounted to US\$680,924k (2020: US\$549,583k).
- (6) CIFF Inv is a limited liability partnership between CIFF Capital and CIFF II that hold certain assets from the investment portfolio. In May 2020, the participating membership in CIFF Inv was transferred by Talos to CIFF Capital and, in April 2020, the non-participating membership in CIFF Inv was transferred by CIFF Trading to CIFF II.
- (7) CIFF IP holds licenses to intellectual property rights in support of the charitable activities of the Foundation.
- (8) CIFF II holds certain assets from the investment portfolio. In May 2020, the entire issued share capital of CIFF II was transferred by Talos to CIFF Capital. CIFF Inv is also a non-participating member in CIFF Inv, CIFF III, 86th LLP and 11th LLP.
- (9) CIFF III was incorporated on 20 November 2019 by limited liability partnership deed between Talos and CIFF II to hold assets from the investment portfolio. CIFF III is a limited liability partnership between CIFF Capital and CIFF II to hold assets from the investment portfolio. In May 2020, the participating membership in CIFF III was transferred by Talos to CIFF Capital.
- (10) CIFF GP was incorporated on 19 March 2020 as a wholly owned limited company of the Foundation and in April 2020, became general partner of CIFF Capital.
- (11) CIFF Water Limited was incorporated on 18 June 2020 as a wholly owned subsidiary of the Foundation. The principal activity of CIFF Water is to purchase and lease assets to support charitable activities.
- (12) 86th LLP was incorporated on 3 September 2020 as a limited liability partnership between Talos and CIFF II and shortly thereafter acquired an interest in an endowment asset from Talos. In October 2020, the participating membership in 86th LLP was transferred by Talos to CIFF Capital. On 10 March 2022, 86th LLP disposed of its sole privately placed loan investment. The Members will assess whether to continue with 86th LLP's investment objective going forward.
- (13) 11th Ave was incorporated on 7 December 2020 as a limited liability partnership between CIFF Capital and CIFF II and shortly thereafter acquired an interest in an endowment asset from CIFF Capital. 11th Ave will continue operating for the foreseeable future. Under the loan sale agreement for the privately placed loan that was disposed of, 11th Ave gave customary representations and warranties to the purchaser, with a survival period of 12-months from the 3 December 2021 closing. As at this date the Members of 11th Ave were not aware of any breach of such representations or warranties.
- (14) Chiswick Riverside LLP was incorporated on 3 August 2021 as a limited liability partnership between the Foundation and The CH Foundation (UK).

13 (b) Programme Related Investments

The Foundation classified these investments as a Programme related investments ("PRI"), as the primary motivation for making the investment is not financial, but to further the objects of the Foundation.

The Foundation invested US\$0.4m (2020: US\$1.5m) in programme related investment funds during the year. These investments support the charitable objectives of the Foundation. The Foundation committed US\$23.8m, of which US\$0.6m (2020: US\$1.0m) remains outstanding to be drawn down as at 31 December 2021.

In 2021, the Foundation committed to loan US\$3m to a non-profit organisation to assist funding for a charitable programme which is aligned to the charitable objectives of the Foundation. The total loan is contracted at 0% interest rate, and US\$3m (2020: US\$nil) remains outstanding to be drawn as at 31 December 2021. The loan will be repaid during 2022. There is no accrued interest and impairment recorded as at 31 December 2021.

13 (c) Mixed Motive Investments

The Foundation classified these investments as a Mixed Motive Investments ("MMI"), as the investments furthers CIFF's charitable aims as well as anticipate financial returns. In accordance with CC14 (Charities and investment matters: a guide for trustees), the Foundation considered the level of private benefit to third parties created by investing to be reasonable and appropriate.

The Foundation invested US\$22.2m (2020: US\$10.7m) towards Mixed motive investments in funds. The Foundation invests in early-stage companies that have the potential and the high-level ability to address global health challenges along with climate and food and nutrition issues which are consistent with the charity's objectives. The Foundation committed US\$76.0m (2020: US\$32.0m) towards mixed motive investments, of which US\$42.7m (2020: US\$18.6m) remains outstanding to be drawdown as at 31 December 2021.

13 (d) Investment Funds

As at 31 December 2021, unquoted investments of US\$46.5m (2020: US\$52.2m) included US\$43.9m (2020: US\$43.9m) in an investment fund investing in development properties in India. The properties are being constructed for sale.

Where the underlying assets are under construction, the fair value of the investment cannot be reliably determined, the directors are required to make their best estimate of the fair value. Where sufficient progress has been made such that a readily ascertainable market value can be obtained for the underlying assets, the investment fund is valued at fair value. Fair value is determined using a combination of valuation methodologies, including comparable precedent transactions and discounted cash flows. Key sensitivities include timing of future cash flows and the discount rate used to determine the net present value of future cash flows.

Unquoted investments also comprised US\$2.6m (2020: US\$8.3m) of investments in underlying assets held with an unquoted investment fund. The investments are held at market value based on the valuation report supplied by the investment fund as at 31 December 2021 with any gains and losses being taken to the SOFA.

13 (e) Loans to subsidiary

The Foundation loaned US\$5.93 billion (2020: US\$5.49 billion) to CIFF Capital. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of CIFF Capital.

14. KEY INVESTMENTS AND UNCERTAINTIES

For Investments in the Group held at fair value, the Group note there may be unobservable inputs in the valuation of these investments outlined below.

The following table presents additional information about valuation techniques and significant unobservable inputs used for unlisted assets and liabilities, which are measured at fair value, as at 31 December 2021 and as at 31 December 2020:

31 December 2021

Asset category	Valuation method	Fair value at 31 December 2021 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	1,554,960	Discount rate	9.10% to 23.62%	An increase in the discount rate would result in a lower fair value
Investment Funds	Discounted cash flow	57,575	Weighted Discount rate	18%	An increase in the discount rate would result in a lower fair value

31 December 2020

Asset category	Valuation method	Fair value at 31 December 2020 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	2,489,244	Discount rate	7.12% to 20.74%	An increase in the discount rate would result in a lower fair value
Investment Funds	Discounted cash flow	57,575	Weighted Discount rate	18%	An increase in the discount rate would result in a lower fair value

When determining fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The valuation techniques used by the Group to determine the fair value are considered to be an income approach.

Income approach provides an estimation of the fair value of an investment based on expectations about the cash flows that the investment would generate over time. The Group used the yield calibration method to derive the discount rates of the loan investments. In applying the Yield calibration method, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the loan investment was involved in an arm's length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the investment was re-priced. In addition, inputs used under the yield calibration method include assessment of the credit spread of comparable securities and indices and changes in credit quality of the borrower as at 31 December 2021.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The Group believes that use of different methodologies or assumptions in determining the fair value of the above financial instruments would result to immaterial changes in fair value.

The Group's reporting systems and the nature of the instruments and the valuation models do not allow it to accurately analyse the total annual amounts of gains/losses that are attributable to observable and unobservable inputs.

15. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Group's investment programme seeks to maximise the returns derived for the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance (the "Investment Programme").

The Group has appointed an Investment Manager to provide investment management services in relation to the portfolio of investments it holds. These services, as part of the investment management agreement (the "Investment Management Agreement"), include monitoring and managing the risks associated with holding such investments through the application of the Investment Programme as agreed with the Foundation's Trustees.

The Group's Investment Programme seeks to diversify its investments across a range of asset classes, industry sectors, and counterparties, and also to limit the use of leverage and off balance sheet commitments.

All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss of capital on investments carried at amortised cost is the carrying value of those investments as well as any associated accrued interest receivable. On written call options, short positions on equity and debt sold short the maximum loss of capital can be unlimited. The maximum loss of capital on written put options, equity swaps and forward foreign exchange contracts is limited to the notional contract values of those positions. For loans and securities which incorporate a future commitment there is a risk of loss of capital in excess of the carrying amount of those positions on the Consolidated Balance Sheet. The Group may be obliged to settle these commitments at a time when the investment is impaired and therefore the maximum additional loss is the total amount of commitments as disclosed in Note 22.

The Group is exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Settlement risk is the risk that a counterparty does not deliver a security or its value in cash as agreed when the security was traded after the Group has already delivered security or cash as per the trade agreement. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the custodian or counterparty, in the event of its failure, any cash balances held by the Group are at risk of being lost and the ability of the Group to transfer securities might be temporarily impaired.

With respect to the privately placed loan agreements the Group is exposed to a wide variety of operational risks specific to such investments. These risks are mitigated by the engagement of industry experts, legal advisors and independent loan servicing agents during the pre-commitment due diligence process and throughout the life of the deal.

The Group invests in readily tradeable equity securities and forward foreign exchange contracts. These investments are generally traded in active secondary markets and the time taken to exit a position and the value received would depend upon factors including the size of the position relative to the total issue size, the daily average traded volume and the prevailing market trends of the period in which the trade is executed. The Group also invests in privately traded equity securities, bank debt and loans. The market for these types of investments is illiquid and secondary market transactions are infrequent. It is more difficult to predict the time and exit price of these type of investments.

The Group's activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. In accordance with the Investment Programme, the Investment Manager uses different methods to measure and manage the various types of risk to which the Group's investments are exposed; these methods are explained below.

Impact of COVID-19

The Trustees have assessed the impact of market conditions arising from the Covid-19 outbreak on the Group's ability to meet its investment objectives, and to operate within the investment and risk parameters that have been established.

There has been no material impact to the Group as a result of COVID-19 during the financial year ended 31 December 2021.

The Trustees are actively monitoring the situation and, with the support of the Investment Manager, continue to manage the Group's assets within their investment and risk parameters that have been established. The Trustees will continue to review the situation in order to navigate through this period of heightened uncertainty.

The Investment Manager conducts regular reviews of the loans and engages with the loan servicer to monitor progress, and may also seek expert third party opinions where required. The Trustees gain assurance from the Investment Manager through the regular review meetings, as well as the collateral assessments that are carried out on an annual basis.

Furthermore, the Group's policy is to manage price and credit risk through diversification and selection of securities and other financial instruments within specified limits set in the Investment Programme.

Market Risk

(a) Price risk

The Group is exposed to securities price risk and derivative price risk. This arises from investments held by the Group for which prices in the future are uncertain. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the US dollar, the price initially expressed in foreign currency and then converted into US dollar will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the directors of the General Partner of CIFF Capital in the Investment Programme. The Investment Programme contains restrictions on overall market exposure (the "Exposure Policy"). The Exposure Policy regarding overall exposure states that market exposure shall not exceed 100% of the Reference NAV.

The use of the term "Reference NAV" within the risk management policies refers to the value of the net assets of the Group, excluding any obligations under the Delayed Drawdown Variable Rate Notes. The Investment Programme seeks to manage the Group's exposure to price risk by analysing the investment portfolio by industrial sector.

The table below is a summary of the sector exposures which are included in the Reference NAV for the purpose of monitoring the investment restrictions.

Sector	% of Reference NAV	
	31 December 2021	31 December 2020
Industrials	34.0%	36.8%
Real estate loans	24.6%	32.2%
Information technology	12.2%	5.8%
Financials	6.6%	2.3%
Consumer discretionary	6.5%	9.4%
Other	11.2%	12.0%
	95.1%	98.5%

The paragraph below summarises the sensitivity of the Group's equity (the "Equity Investments") to equity price movements, derived by regressing the daily returns of the Group's Equity Investments against the daily returns of the MSCI World Equity Index including net dividends reinvested (the "Index") (Bloomberg ticker "NDDUWI"), and including the effect of movements in foreign currency exchange rates on equity prices, as at 31 December 2021 and 31 December 2020.

The analysis uses the arithmetic mean of the absolute one year moves of the Index aligned with the Group's financial year since the Group's inception as an estimate for the reasonably possible annual move in global equity prices. For 31 December 2021 this is 11.3% (2020: 29.5%). This represents the best estimate of a reasonable possible shift in the Index over a period of one year, having regard to the historical volatility of the index. As at 31 December 2021, the exposure of the Group to Equity Investments was US\$4,208,233k (2020: US\$3,372,112k).

In 2021, the beta of the Group's Equity Investments against movements in the Index was 0.54 (2020: 0.84). The figures below give an estimation of a reasonable possible change in the fair value of the Group's Equity Investments over the period of one year, using the beta value stated above.

	2021 US\$ '000	2020 US\$ '000
Predicted effect on the Group's Equity Investments of an increase in the index	258,106	831,599
Predicted effect on the Group's Equity Investments of a decrease in the index	(258,106)	(831,599)

The Index has been used as the reference point in determining the effect of price risk only. The Investment Manager does not manage the Group's investment strategy to track this index or any other index or external benchmark. The sensitivity analysis presented is based upon the Equity Investments composition as at 31 December 2021 and 31 December 2020 and the historical correlation of the returns from the securities comprising the Equity Investments to the Index returns. The composition of the Group's Equity Investments, and the correlation thereof to the Index, is expected to change over time. The sensitivity analysis prepared as at 31 December 2021 and 31 December 2020 is not necessarily indicative of the effect on the Group's investments of future movements in the level of the Index.

(b) Foreign currency risk

The Group operates internationally and holds both monetary and non-monetary assets denominated in currencies other than its functional currency, the US dollar. Foreign currency risk as defined, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The table below shows the concentration of assets and liabilities denominated in currencies other than the US dollar at 31 December 2021 and 2020 and has been analysed between monetary and non-monetary items.

31 December 2021

Currency	Monetary US\$ '000	Non Monetary US\$ '000	Currency forward US\$ '000	Net exposure US\$ '000
Australian Dollar	-	-	(17,777)	(17,777)
Canadian Dollar	662	710,460	(548,063)	163,059
Chinese Remnibi	189	-	-	189
Euro	393,070	1,495,862	(1,443,761)	445,171
Indian Rupee	987	-	-	987
Japanese Yen	-	-	(2,229)	(2,229)
Kenyan Shilling	92	-	-	92
Pound Sterling	189,057	-	(504,636)	(315,579)
Swiss Franc	330	-	(15,512)	(15,182)
New Taiwan Dollar	-	(222)	-	(222)
Poland Zloty	-	-	(46,190)	(46,190)

31 December 2020

Currency	Monetary US\$ '000	Non Monetary US\$ '000	Currency forward US\$ '000	Net exposure US\$ '000
Australian Dollar	-	-	(5,052)	(5,052)
Canadian Dollar	597	530,851	(451,624)	79,824
Chinese Remnibi	84	-	-	84
Euro	382,486	1,530,734	(1,477,971)	435,249
Indian Rupee	268	-	-	268
Japanese Yen	-	-	(1,568)	(1,568)
Kenyan Shilling	133	-	-	133
Pound Sterling	816,563	-	(989,769)	(173,206)
Swiss Franc	340	-	-	340

The following table shows the 260 day historical volatility rates between the US dollar and a range of currencies. These rates provide a best estimate of a potential move in the exchange rate over a period of 12 months as at the statement of financial position date.

Historical volatility rates	2021	2020
	%	%
Australian Dollar	9.00	12.30
Canadian Dollar	7.01	8.44
Chinese Renminbi	-	4.71
Euro	5.72	7.57
Indian Rupee	-	6.64
Japanese Yen	5.54	9.21
Kenyan Shilling	-	7.12
Pound Sterling	6.53	11.08
Swiss Franc	6.51	7.39
New Taiwan Dollar	3.38	-
Poland Zloty	8.71	-

The following table summarises the amount of the increase/(decrease) in net assets arising from an increase/ (decrease) of the exchange rate in line with the above volatility rates, with all other variables held constant. The analysis below presents the changes in net assets for each currency in their absolute values.

Change in net assets	2021	2020
	US\$ '000	US\$ '000
Australian Dollar	(1,600)	(621)
Canadian Dollar	11,430	6,737
Chinese Renminbi	-	4
Euro	25,464	32,948
Indian Rupee	-	18
Japanese Yen	(123)	(144)
Kenyan Shilling	-	9
Pound Sterling	(20,607)	(19,191)
Swiss Franc	(988)	25
New Taiwan Dollar	(8)	-
Poland Zloty	(4,023)	-

The objective of the Group's currency risk management policy is to allow the Group to retain its purchasing power and minimise the risk that its purchasing power is reduced as a result of foreign exchange rate fluctuations. The investment process focuses on fundamental and systematic factors. The Investment Manager monitors the currency risk on an ongoing basis and reports to the Finance, Audit and Investment Committee on a quarterly basis.

(c) Interest rate risk

The Group holds liquid, interest-bearing assets and liabilities such as cash and brokerage accounts, where changes in interest rates would change the amount of interest received or paid in relation to these balances.

The Group's investments in loans are carried at fair value. In determining fair value, the Group uses discounted cash flow techniques and recognises income at a rate based upon the effective interest rate of all expected cash flows over the life of the loan. For all loan investments, the discount rate used in the fair valuation model is calibrated against movements in market interest rates and changes in credit quality of the borrower.

The following table summarises the Group's exposure to interest rates. It includes the Groups asset and liabilities, categorised by the earlier of contractual re-pricing and maturity dates. The sensitivity analysis presented is based upon the composition of the Group's asset and liabilities at 31 December 2021 and 31 December 2020 and is not necessarily indicative of the effect on the Group's asset and liabilities of future movement in interest rates.

31 December 2021	< 3 months	3 months	> 1	Non-	Non-	Total
	US\$ '000	- 1 year	year	interest rate	interest	US\$ '000
		US\$ '000	US\$ '000	sensitive	bearing	
				US\$ '000	US\$ '000	
Cash at bank and in hand	424,160	-	-	-	-	424,160
Cash pledged as collateral	14,770	-	-	-	-	14,770
Investment assets/(liabilities)	-	-	-	1,554,960	4,344,161	5,899,121

31 December 2020	< 3 months US\$ '000	3 months - 1 year US\$ '000	> 1 year US\$ '000	Non- interest rate sensitive US\$ '000	Non- interest bearing US\$ '000	Total US\$ '000
Cash at bank and in hand	104,371	-	-	-	-	104,371
Cash pledged as collateral	95,016	-	-	-	-	95,016
Investment assets/(liabilities)	-	-	-	2,489,244	3,475,623	5,964,867

Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is also exposed to concentration risk and reviews the credit concentration of debt securities held based on counterparties and industries.

The Group's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Group's credit risks arise principally through exposures to corporate debt investments, loans, bank deposits, and derivative counterparties.

All of the loan investments held by the Group are secured in most cases against physical assets including real estate and property. The value of the security relating to a loan investment may become equal to or less than the value of the loan that it secures. Accordingly, in the event of a default the Group may incur a loss after all costs relating to obtaining and selling secured assets have been taken into account. Although the Group monitors the value of the secured assets on a periodic basis, as there is no active market for the positions, their risk is managed on an exposure basis, with not more than 55% of the Reference NAV to be drawn under loans classified as Real Estate Debt (as outlined in the Investment Management Agreement). Due to the illiquid nature of such loans and the variety of risks attached including property development and concentration risk, significant losses could arise.

Loans

At 31 December 2021, the Group held investments in loans valued at US\$1,554,960k (2020: US\$2,489,243k). The key risk relating to each of these loans is the possibility that the borrower will not repay the interest and principal relating to the loan in full. To protect the Group against this possibility of default, security is sought from the borrower over assets worth more than the value of the loan outstanding. This security normally takes the form of prime real estate assets in developed markets. The Group monitors the value of the assets pledged as security by engaging independent experts to provide valuations on the assets on a periodic basis and considers metrics such as loan-to-value or loan-to-commitment ratio.

Through the assets against which the loans are secured, the Group has an indirect exposure to reductions in asset valuations as a result of a market crash or other tail events. This may result in the amount lent under a loan being greater than the value of the secured assets and increase the probability of the loans going into default.

The Group is also protected by covenants built into its loan agreements which require immediate repayment in the event that the borrower breaches certain covenants. These are agreed on a loan-by-loan basis at the origination of each deal and may include metrics such as loan-to-value ratio, interest cover and other performance based metrics. As of 31 December 2021, the borrowers under the privately placed loan investment listed below was in material breach of its loan covenants (2020: two), resulting in multiple events of default having arisen, and certain enforcement action being taken.

The privately placed loan investment held by 86th Street Lender LLP was disposed on 10 March 2022 at a loss. As a result of this disposal, on 10 March 2022, CIFF Capital received a distribution of US\$56,505,602. There is a claim against the guarantors for the remaining amount.

The Group also seeks to obtain certain guarantees from credit worthy affiliates of the borrower. Guarantees for 'completion', 'carry' and 'recourse obligations' guarantee (i) the lien-free completion of the relevant project (or the payment of an equivalent amount to the lender to allow it to complete), (ii) the payment of carry costs until the earlier of loan repayment and completion (including interest and costs) and (iii) any losses incurred by the lender as a result of specified acts of the borrower or related parties. The relevant guarantors are usually required to satisfy a minimum net worth and liquidity covenant.

Counterparty credit risk

The Group is also exposed to counterparty credit risk through the trading of derivative products, cash and cash equivalents, cash pledged as collateral, amounts due from brokers and other receivable balances. One element of counterparty credit risk is the monitoring of the credit ratings of parties where all material amounts due from brokers, cash and short-term deposits are held by parties with a credit rating A1/A.

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2021:

Counterparty	Credit rating at 31 December 2021		Credit exposure 31 December 2021	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	415,305	6.53%
JP Morgan Chase	Aa2	A+	9,636	0.15%
UBS AG	Aa3	A+	32	-
Barclays Bank	A1	A	9,670	0.15%
ABSA Group Limited	Ba1	zaAA	92	-
Wells Fargo Bank N.A.	Aa2	A+	2	-
Citico Bank Nederland NV	N/A	N/A	181	0.00%
Awash Bank	N/A	N/A	7	0.00%
			434,925	6.83%

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2021:

Counterparty	Credit rating at 31 December 2020		Credit exposure 31 December 2020	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	196,316	3.16%
JP Morgan Chase	Aa2	A+	15,632	0.25%
UBS AG	Aa3	A+	146	-
Barclays Bank	A1	A	3,171	0.05%
ABSA Group Limited	Ba1	zaAA	133	-
Wells Fargo	Aa2	A+	5	-
Citico Bank Nederland NV	N/A	N/A	804	0.01%
			216,207	3.47%

Credit risk is also managed by a policy contained in the Investment Programme to maintain exposures to any one counterparty to less than 15% of its Reference NAV.

In the event of any breach of the above restrictions not remedied within 3 business days of the date of such breach, the Foundation management shall in their sole discretion determine the action and will seek to achieve, where practicable, a rectification of the breach within a reasonable timeframe and/or a commercial economic advantage.

In addition, the Group also restricts its exposure to credit losses on the trading derivative instruments it holds by including netting agreements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. These netting provisions do not result in an offset on the Consolidated Balance Sheet, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by netting to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The Group's overall exposure to credit risk on derivative instruments subject to a netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the counterparty has received payment. Payment is made on a purchase once the securities have been received by the Group. The trade will fail if either party fails to meet its obligation.

The Group has appointed HSBC Bank plc ("HSBC") as custodian and prime broker and provider of other services (including financing) under the terms of the HSBC Prime Custody Agreement. HSBC will act as banker, custodian and prime broker of the cash and securities delivered to HSBC and will be responsible for receipt and disbursement of cash on behalf of the Group, for the receipt and safe custody and registration of securities of the Group and for the transfer of securities for the Group. The Group has both a custody and collateral account with HSBC. HSBC will also provide financing and securities lending to the Group pursuant to the HSBC Prime Custody Agreement. The collateral required to support any financing, securities lending or other exposure of HSBC to the Group will be held in the collateral account with HSBC in the name of the Group. At 31 December 2021, 99% (2020: 94%) of cash and cash pledged as collateral and investments were placed in custody with HSBC.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group is exposed to the daily settlement of margin calls on derivatives, settlement of funding requests on loans with an unfunded commitment (see Note 2(f) accounting policy on "Unfunded Commitments" for further details), Note repayment requests and the annual payment of interest due to the Noteholders.

The Investment Manager monitors the Group's liquidity position on a daily basis, and in accordance with agreed risk framework reports to the Group on a monthly basis. The liquidity report has been designed to confirm that the Group has sufficient resources to cover projected outflows in a stress scenario given preset liquidity haircuts for each asset class.

As part of the management of liquidity risk, the Investment Programme prescribes a limit to the amount of unfunded commitments as a certain percentage of its Reference NAV.

The Group's main sources of liquidity are listed equity securities, actively traded corporate debt and cash deposits. The asset class investment restrictions ensure a proportion of the Group's assets are invested in these types of assets, which can be readily disposed. The Group also has the ability to meet Note repayments obligations by an in specie delivery of a Noteholder's pro rata share of the investments in the portfolio at the redemption date.

The Group may also invest in derivative contracts that are traded over-the-counter, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Group may not be able to quickly liquidate these investments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The below tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the maturity date.

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2021						
Creditors: amounts falling due within one year	201,925	25,759	29,665	-	-	257,349
Creditors: amounts falling due in more than one year	-	-	-	223,865	-	223,865
Total liabilities	201,925	25,759	29,665	223,865	-	481,214

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2020						
Creditors: amounts falling due within one year	101,850	2,557	60,950	-	-	165,357
Creditors: amounts falling due in more than one year	-	-	-	34,458	-	34,458
Total liabilities	101,850	2,557	60,950	34,458	-	199,815

Uncertain liabilities, which are not recognised on the Balance Sheet, are not included in the table above for the purpose of analysing the Foundation liquidity risk.

Uncertain liabilities

As disclosed in Note 13, the Group has invested in loans and securities which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2021 have been estimated as US\$629,904k (2020: US\$1,026,307k).

16. DEBTORS

	Group 31 Dec 2021 US\$ '000	Group 31 Dec 2020 US\$ '000	Foundation 31 Dec 2021 US\$ '000	Foundation 31 Dec 2020 US\$ '000
Dividends receivable	1,616	1,224	-	-
Amounts due from brokers	3,481	19,220	-	-
Other debtors	8,706	11,869	240	2,543
Amounts due from related parties	-	-	2	33
Prepayments	768	758	751	743
Total	14,571	33,071	993	3,319

The amounts due from brokers includes cash from forward foreign exchange contracts closed but awaiting settlement, cash from trades sold but which have not yet settled and interest receivable.

17. CASH AT BANK AND IN HAND

Cash at bank includes amounts due from the Group's custodian and other counterparties, on demand and interest bearing deposits with original maturities of less than 3 months.

Cash pledged as collateral includes collateral balances held at year end with the Group's custodian and prime broker and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin exposures at the year end date.

The total of cash at bank and cash pledged as collateral is shown on the face of the Consolidated Balance Sheet and the movement reflected within the Consolidated Cash Flow Statement.

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2021:

Group	Cash and cash equivalents 31 Dec 2021 US\$ '000	Cash pledged as collateral 31 Dec 2021 US\$ '000	Cash at bank and in hand 31 Dec 2021 US\$ '000	Amounts due from brokers 31 Dec 2021 US\$ '000	Amounts due to brokers 31 Dec 2021 US\$ '000	Net counter- party position 31 Dec 2021 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	404,540	14,770	419,310	3,481	(7,486)	415,305
Other counterparties						
JP Morgan Chase	9,636	-	9,636	-	-	9,636
UBS AG	32	-	32	-	-	32
Barclays Bank	9,670	-	9,670	-	-	9,670
ABSA Group Limited	92	-	92	-	-	92
Wells Fargo	2	-	2	-	-	2
Citico Bank Nederland NV	181	-	181	-	-	181
Awash	7	-	7	-	-	7
Total	424,160	14,770	438,930	13,481	(7,486)	434,925

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2020:

Group	Cash and cash equivalents 31 Dec 2020 US\$ '000	Cash pledged as collateral 31 Dec 2020 US\$ '000	Cash at bank and in hand 31 Dec 2020 US\$ '000	Amounts due from brokers 31 Dec 2020 US\$ '000	Amounts due to brokers 31 Dec 2020 US\$ '000	Net counter-party position 31 Dec 2020 US\$ '000
Custodian						
HSBC Bank Plc	84,480	95,016	179,496	19,220	(2,400)	196,316
Other counterparties						
JP Morgan Chase	15,632	-	15,632	-	-	15,632
UBS AG	146	-	146	-	-	146
Barclays Bank	3,171	-	3,171	-	-	3,171
ABSA Group Limited	133	-	133	-	-	133
Wells Fargo	5	-	5	-	-	5
Citico Bank Nederland NV	804	-	804	-	-	804
Total	104,371	95,016	199,387	19,220	(2,400)	216,207

The following table shows the breakdown of the cash and cash equivalents of the Foundation held with counterparties as at year end:

Foundation	Cash and cash equivalents 31 Dec 2021 US\$ '000	Cash and cash equivalents 31 Dec 2020 US\$ '000
HSBC Bank plc	44,884	37,006
JP Morgan Chase	9,631	15,632
ABSA Bank	92	133
Barclays Bank plc	9,670	3,171
Awash Bank	7	-
	64,284	55,942

18. CREDITORS: amounts falling due within one year

	Group 31 Dec 2021 US\$ '000	Group 31 Dec 2020 US\$ '000	Foundation 31 Dec 2021 US\$ '000	Foundation 31 Dec 2020 US\$ '000
Amounts due to brokers	7,486	2,400	-	-
Grants	172,777	74,095	172,777	74,418
Creditors	46,638	28,203	1,136	1,213
Loans	-	-	569,992	110,000
Derivative financial instrument liabilities	17,646	52,800	-	-
Accruals and deferred income	12,618	7,560	12,575	7,532
Taxes and social security costs	184	299	184	299
	257,349	165,357	756,664	193,462

The amounts due to brokers include cash from trades purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

19. CREDITORS: amounts falling due after one year

	Group 31 Dec 2021 US\$ '000	Group 31 Dec 2020US\$ '000	Foundation 31 Dec 2021 US\$ '000	Foundation 31 Dec 2020US\$ '000
Creditors payable between 1 and 2 years	79,266	34,458	73,000	-
Creditors payable between 2 and 5 years	144,599	-	144,000	-
Creditors payable after 5 years	-	-	-	-
	223,865	34,458	217,000	-

20. MOVEMENT IN FUNDS

Funds were transferred from the Expendable Endowment Fund to the Designated Funds at the year end.

Group	Balance as at 31 Dec 2020 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2021 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	-	(844,684)	-	(456)	-	845,140	-
Designated funds	642,579	-	-	-	-	-	308,274	950,853
Restricted income funds	6,711	4,290	(2,902)	-	-	-	-	8,099
Expendable endowment fund	5,356,222	24,468	-	694,914	-	-	(1,153,414)	4,922,190
Total funds	6,005,512	28,758	(847,586)	694,914	(456)	-	-	5,881,142

Group	Balance as at 31 Dec 2019 US\$ '000	Incoming resources US\$ '000	Resources expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2020 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	60,615	(371,016)	-	(1,197)	-	311,598	-
Designated funds	657,971	-	-	-	-	-	(15,392)	642,579
Restricted income funds	-	18,561	(11,850)	-	-	-	-	6,711
Expendable endowment fund	5,204,018	17,496	-	430,914	-	-	(296,206)	5,356,222
Total funds	5,861,989	96,672	(382,866)	430,914	(1,197)	-	-	6,005,512

⁽¹⁾ Reserves retained by subsidiary undertakings and general unrestricted funds are disclosed in total in the tables above and total US\$135.653k (2020: US\$169,323k).

Foundation	Balance as at 31 Dec 2020 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2021 US\$ '000
Unrestricted							
Income funds	-	11,428	(825,312)	-	(261)	814,145	-
Designated funds	642,579	-	-	-	-	308,274	950,853
Restricted income funds	-	4,290	(4,290)	-	-	-	-
Expendable endowment fund	5,361,390	-	-	691,906	-	(1,122,419)	4,930,877
Total funds	6,003,969	15,718	(829,602)	691,906	(261)	-	5,881,730

Foundation	Balance as at 31 Dec 2019 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2020 US\$ '000
Unrestricted							
Income funds	-	57,372	(351,484)	-	(1,191)	295,303	-
Designated funds	657,971	-	-	-	-	(15,392)	642,579
Restricted income funds	-	18,561	(18,561)	-	-	-	-
Expendable endowment fund	5,208,893	-	-	432,408	-	(279,911)	5,361,390
Total funds	5,866,864	75,933	(370,045)	432,408	(1,191)	-	6,003,969

As at 31 December 2021, the Trustees have allocated US\$950.853k (2020: US\$642,579k) of reserves as designated funds which represents funds that may be called upon to be disbursed to multi-year programmes.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The table below presents the allocation of the group balance sheet across the three different categories of funds. For further details of the funds, refer to page 44.

	Expendable Endowment US\$ '000	Unrestricted Funds- Designated US\$ '000	Restricted Funds US\$ '000	Total 31 Dec 2021 US\$ '000	Total 31 Dec 2020 US\$ '000
Intangible assets	-	500	-	500	500
Tangible assets	-	1,205	8,029	9,234	7,502
Investments	4,258,586	1,640,535	-	5,899,121	5,964,867
Other assets	388,154	65,277	70	453,501	232,458
Liabilities	275,450	(756,664)	-	(481,214)	(199,815)
	4,922,190	950,853	8,099	5,881,142	6,005,512

22. COMMITMENTS

At 31 December 2021, the Group had outstanding commitments of US\$43,347k (2020: US\$19,435k) in relation to the unquoted investments held within the investment portfolio.

The Group has also invested in loans which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2021 have been estimated as US\$629,904k (2020: US\$1,026,307k).

The investment commitments are funded by the Foundation and are spread out over the life of the investments.

23. OPERATING LEASES

The total rent charged as an expense in the SOFA, is disclosed below:

	Group Year ended 31 Dec 2021 US\$ '000	Group Year ended 31 Dec 2020 US\$ '000	Foundation Year ended 31 Dec 2021 US\$ '000	Foundation Year ended 31 Dec 2020 US\$ '000
Rent	1,716	1,688	1,711	1,688

The Group had commitments to future minimum lease payments under non cancellable operating leases at the year end as follows:

	Group 31 Dec 2021 US\$ '000	Group 31 Dec 2020 US\$ '000	Foundation 31 Dec 2021 US\$ '000	Foundation 31 Dec 2020 US\$ '000
Land and Building				
Less than one year ⁽¹⁾	1,429	1,363	1,423	1,357
Between one and five years	3,886	3,503	3,875	3,486
More than five years	447	1,207	447	1,207
	5,762	6,073	5,745	6,050

⁽¹⁾ Includes a commitment under an operating lease with TCI Fund Management (UK) Limited to pay rentals during the period following the period of these accounts of US\$765k (2020: US\$762k).

The total rental income included within the SOFA, is disclosed below:

	Group 31 Dec 2021 US\$ '000	Group 31 Dec 2020 US\$ '000	Foundation 31 Dec 2021 US\$ '000	Foundation 31 Dec 2020 US\$ '000
Rental income	1,685	-	-	-

The Group is a lessor of UK investment property. The total non-cancellable future minimum lease payments expected to be received are:

	Group 31 Dec 2021 US\$ '000	Group 31 Dec 2020 US\$ '000	Foundation 31 Dec 2021 US\$ '000	Foundation 31 Dec 2020 US\$ '000
Less than one year	4,030	-	-	-
Between one and five years	17,066	-	-	-
More than five years	-	-	-	-
	21,096	-	-	-

On 11 August 2021, the Group acquired 98% of the freehold of a property in Chiswick, UK. The freehold acquired is leased to a third party. The lease commenced on 1 July 2008 with a lease term of 25 years and is due to expire on 30 June 2033. It includes a provision for an annual rent review every 13th of July. The rent concession period will end on 13 May 2024 and there will be no change to rental income terms after this date.

24. RELATED PARTIES

Investment Manager

TCI Fund Management Limited (TCI FM) acts as investment manager to certain members of the Group. TCI FM, and its various group entities, are ultimately controlled by Sir Christopher Hohn, a member and trustee of CIFF.

During 2020 the subsidiaries and investment holdings within the Group were restructured, resulting in changes to the investment management agreements with TCI FM. TCI FM is no longer entitled any fee for these investment management services. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to TCI FM and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital UK LP, which acts as the main investment holding company of the CIFF Group.

During 2021, an amount of US\$794k (2020: US\$842k) was charged to entities within the Group from TCI FM, in relation to expenses incurred by TCI FM on behalf of the CIFF Group investment portfolio, mainly consisting of research fees incurred by TCI FM for the benefit of CIFF with third parties, of which US\$nil remained payable as at 31 December 2021 (2020: US\$32k).

Furthermore, for the year ended 31 December 2021 CIFF was also charged US\$1,144k (2020: US\$883k) by TCI's holding company, TCI Fund Management (UK) Limited, in respect of rent and associated property costs.

Donations

During 2021, TCI FM made an unrestricted donation to CIFF of US\$nil (2020: US\$60,615k) and restricted donations of US\$2,208k in 2021 (2020: US\$10,711k) to support the charitable activities of the Foundation. As at 31 December 2021, TCI FM had committed additional restricted funding of US\$18,431k (2020: US\$3,139k) to be paid in future years.

Sir Christopher Hohn is also the founder and trustee of the Christopher Hohn Foundation (UK) which during 2021 made restricted donations to the Foundation of US\$1,800k (2020: US\$7,850k). As at 31 December 2021, the Christopher Hohn Foundation (UK) had committed additional restricted funding of US\$9,110k (2020: US\$10,910k) to be paid in future years.

Subsidiary director fees

During the year, directors' fees of US\$22k (2020: US\$31k) for Jackie Gilroy were charged to Talos, and fees of US\$133k (2020: US\$18k) for Jackie Gilroy, Sonia Gogna, William Gourlay and Tristan van der Vijver were charged to CIFF GP. No other directors of CIFF subsidiaries were entitled to fees.

Legal fees

During the year, the Supreme Court ordered the Foundation to pay the legal costs of *Dr Marko Lehtimäki arising from his involvement in the proceedings, Lehtimäki and others v Cooper* – UKSC 2018/0150. The Foundation and Dr Lehtimäki agreed an amount of \$1,062k in relation to such costs. This amount remained unpaid as at 31 December 2021 but was paid in January 2022.

Common trustees

In the normal course of charitable granting, there can be instances where the grants to charities that have trustees in common with the Foundation. The Foundation does not disclose grants to these charities as related party transactions, as the trustees are part of a collective of non-related trustees and are not considered to be in a significant position of influence. The Trustees are satisfied that appropriate procedures are in place to ensure that any potential conflicts of interest are appropriately managed and avoided.

Other transactions with Group companies

The Foundation has taken advantage of the exemption contained in FRS 102, paragraph 33A, not to disclose other transactions with group companies as all are wholly owned subsidiaries of the Foundation and the consolidated financial statements are publicly available. Copies can be requested from the company secretary.

25. SERVICE PROVIDERS

Administrator

Group entities have entered into administration agreements with the Administrator, Citco Fund Services (Ireland) Limited. The Administrator receives from Group entities a monthly administration fee which is calculated as a percentage of Adjusted Assets on a sliding scale. The total administration fee for the year was US\$1,984k (2020: US\$2,010k), of which US\$169k (2020: US\$397k) was payable at year end.

Custodian and Prime Broker

The Group has a custody agreement with HSBC. The Group retains beneficial ownership of assets held by HSBC. Cash and securities deposited with HSBC are repayable on demand. In addition, the Group's cash held with HSBC will be segregated from HSBC's own cash. HSBC is not permitted to utilise, re-hypothecate or otherwise appropriate the assets of the Group, however HSBC will acquire a security interest in any assets that are provided as collateral to HSBC by the Group.

Intermediary

AVE Capital Limited (AVE) is engaged to provide intermediary services in relation to bringing together ClIFF Capital and other ClIFF subsidiaries, as the lending party, with third parties, as the borrowing parties, in potential real estate debt transactions pursuant to the terms of an intermediary services agreement signed in October 2020. None of TCI FM, Sir Christopher Hohn or any other parties related to them have any financial interest in AVE. Group entities pay fees to AVE Capital Limited in relation to the intermediary services (the Intermediation Fee). The total Intermediation Fee charged to the SOFA for the period was US\$10.805k (2020: US\$96k), with US\$41,025k payable as at 31 December 2021 (2020: US\$40,664k).

Investment Manager

TCI FM is no longer paid any fee for investment management services to ClIFF Capital. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to the Investment Manager and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to ClIFF Capital.

Following the restructure of the ClIFF Group in October 2020, there is no longer a requirement to pay a real estate management fee to TCI FM. Entities within the Group previously paid TCI FM, monthly in arrears, a Real Estate Management Fee for managing a portfolio of Real Estate Loans. The total Real Estate Management Fee for the year was US\$nil (2020: US\$1.807k), of which US\$nil (2020: US\$nil) was payable at year end.

Other counterparties

The Group has amounts due from other related counterparties, refer to note 16 for further details.

26. POST BALANCE SHEET EVENTS

There are no events requiring adjustment of the financial statement or additional disclosure.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Children's Investment Fund Foundation (UK), a charitable company limited by guarantee (without a share capital) incorporated in England and Wales. Pursuant to article 7 of the Foundation's Articles of Association, every member promises that if the charitable company is dissolved while he, she or it remains a member or within 12 months afterwards, to pay up to one pound sterling towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.

The Foundation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of the Foundation is available from the Company Secretary at 7 Clifford Street, London, W1S 2FT.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

GROUP INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

CONSTITUTION	A Company limited by guarantee and an English registered charity governed by its Memorandum and Articles of Association
COMPANY NUMBER	4370006
REGISTERED CHARITY NUMBER	1091043
TRUSTEES	Sir Christopher Hohn Dr Graeme Sweeney (resigned 13 May 2021) Mr Ben Goldsmith Mr Masroor Siddiqui Ms Ana Weichers Marshall Dr Marko Lehtimaki (appointed 13 May 2021)
REGISTERED OFFICE	7 Clifford Street London W1S 2FT
COMPANY SECRETARY	Cargil Management Services Limited (resigned 10 February 2021) 27-28, Eastcastle Street London W1W 8DH Bradley Duncan (appointed 10 February 2021) 7 Clifford Street London W1S 2FT England
BANKERS	HSBC Bank plc Level 18 8 Canada Square London E14 5HQ
SOLICITORS	Mills & Reeves LLP Botanic House 100 Hills Road Cambridge CB2 1PH
INDEPENDENT AUDITORS	KPMG 1 Harbourmaster Place Dublin 1, Ireland
INVESTMENT MANAGER	TCI Fund Management Limited 7 Clifford Street London W1S 2FT England

Accounts

THE CHILDREN'S INVESTMENT FUND FOUNDATION (CIFF) (UK) ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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**The Children's Investment Fund
Foundation (CIFF) (UK)**

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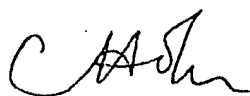
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Founder's Message

Since founding CIFF in 2002, I have been committed to solving problems, not just making grants. I am excited to share our Annual Report for 2020 as we continue to strive on CIFF's journey as a high-performing, activist philanthropy. We are not afraid to take on some of the world's toughest challenges and it is our privilege to support and work alongside inspiring organisations and leaders in civil society.

As the world reels from Covid-19, we continue to bring the needs of children to the fore. CIFF's CEO, Kate Hampton, and I continue to work with determination in furthering our vision of a kinder, greener world that enables children to thrive. None of this work would be possible without the commitment of CIFF's trustees, advisors, staff and co-funders, as well as our grantees and partners. As CIFF looks forward into 2021, I would like to thank Dr Graeme Sweeney for his dedicated service as CIFF's Chairman for the past six years, and welcome Dr Marko Lehtimäki to the Board.



Sir Christopher Hohn
Founder and Chairman
24 June 2021

**We are not afraid to
take on some of the
world's toughest
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CEO's Message

As we enter 2021, the Decade of Delivery of the SDGs should be well and truly underway, alongside efforts to halve global greenhouse gas emissions. However, the Covid-19 pandemic has been a severe blow to progress, with children negatively impacted by the response. Our partners and grantees have seen this impact first hand through increased malnutrition, missed education and disrupted health services. With up to an additional 150 million people in developing countries projected to be living in extreme poverty by the end of 2021, the long-term scarring of Covid-19 will be felt for years to come. The pandemic has exacerbated the world's existing inequities, making those already most at risk from the climate crisis even more vulnerable. While richer nations that can finance their own debt have been able to weather the storm, many developing countries are in a precarious situation which in turn threatens children's programmes, including the sustainability of our own efforts. It is clear that much more needs to be done to ensure the Covid-19 recovery is equitable across geographies and generations.

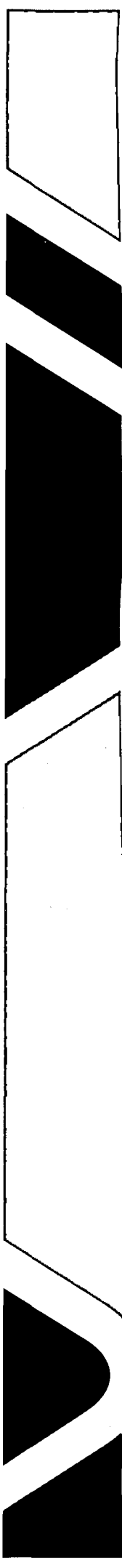
Despite this disruption, our commitment to improving the lives of children has only strengthened. As the pandemic hit, CIFF was well prepared to ensure the continuity of operations. The Foundation's staff and our grantees continued to deliver innovation and results throughout the year. During 2020, CIFF's grant disbursements increased by 28% to \$344 million, the third successive year of significant step up in grant spend - our trustees have further increased our spending limits in the business plan for 2021. This grant making activity is spread across our five offices in Addis Ababa, Beijing, Delhi, London and Nairobi. Our strategies and operations are increasingly locally-led, as we further develop local solutions for local contexts. Our stronger local offices were pivotal in enabling continuity of programming during the pandemic.

A green, resilient and inclusive Covid-19 recovery that nourishes and encourages the world's children will clearly require the unprecedented mobilisation of public and private resources, talents and innovations. Notwithstanding the challenges, the past year has shown me that CIFF and our grantees and partners are extraordinarily resilient and committed, and are able to do so much more than I thought possible at this time last year. I would like to thank everyone that has played a part in our 2020 story and invite you to partner with us as we grow into 2021.



Kate Hampton, CEO
24 June 2021

**Despite the disruption
of the pandemic
our commitment to
improving the lives
of children has only
strengthened.**



Trustees' Report

At a Glance: Portfolio Highlights

CIFF's strategies are delivered by our network of exceptional grantees, who we are proud to fund and with whom we are excited to work on strategy and programme design. Some of the highlights from around our portfolio of programmes in 2020 include:

1

CIFF's grantees worked to end coal financing from Japan and South Korea. By the end of the year, both countries had announced a net-zero by 2050 commitment, while all three of Japan's biggest commercial banks introduced coal exclusion policies, and one of South Korea's largest financial groups announced an end to coal project financing.

2

Self-managed sexual and reproductive healthcare (SRH) became a key priority of countries working to access to essential health services. Our work to scale and institutionalise self-managed care for SRH made major progress over 2020 with more than nine million individuals across Sub-Saharan Africa and South Asia using tools such as self-managed HIV testing and contraceptive self-injection.

3

Educate Girls enrolled over 300,000 out-of-school girls in India between the ages of 5 and 18, and trained almost 100,000 adolescent girls in life skills through in-school and community-based models.

4

In India, the RajPusht programme received an additional \$32 million from the Rajasthan Government to provide direct cash transfers to half a million pregnant women over the next five years along with intensive behaviour change communications.

5

CIFF continued investing in One Acre Fund, a revenue-generating non-profit organisation which supports Africa's largest network of smallholder farmers to introduce nutrition-sensitive components into existing agriculture interventions. In 2020, 545,000 farmers were enrolled, 63.8% of which were women.

6

CIFF, the Indian Government and the NGO Freedom Fund worked over the last three months of 2020 on a programme which rescued over 200 children from exploitative conditions.

7

The CIFF-funded AccelerATE programme helped a number of African countries to overcome the final hurdles of trachoma elimination, treating over 30,000 cases over the course of 2020. Through AccelerATE, 11 African countries have now completed landscape analyses, which will help inform best practice for coordinating neglected tropical disease (NTD) activities in the future.

Trustees' Report

At a Glance: Financial Highlights

1



Charitable Investments Approved

After exceptional levels of approvals in 2019, despite the disruption caused by Covid-19, we approved \$347 million of charitable investments in 2020. This level of approvals means we expect disbursements to increase further in coming years.

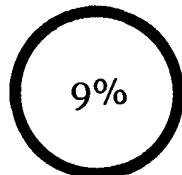
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Grant Disbursement

CIFF disbursed grants of \$344 million in 2020. Grant disbursements increased in 2020 by \$75 million compared to 2019.

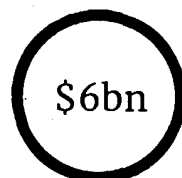
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Operating Expenses

The Foundation's operating expenses were at a similar level to the previous year, but the ratio of these costs to grant disbursements reduced to 9% as our disbursements increased.

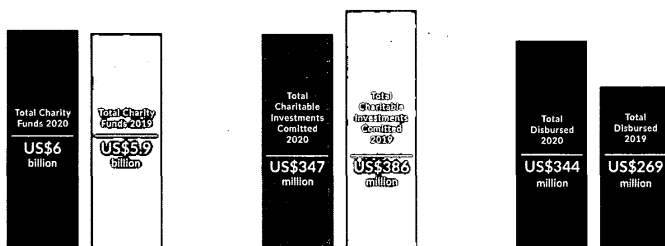
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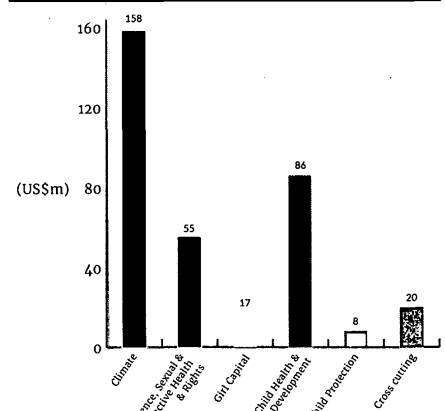
Endowment

Investment returns and income from our endowment assets remained strong in 2020, bringing the total endowment to \$6 billion. The size of the original endowment and the excellent investment returns achieved over the years give us the financial strength and stability to make substantial long-term commitments to the work of our grantees.

At a Glance: 2020 Charitable Activities

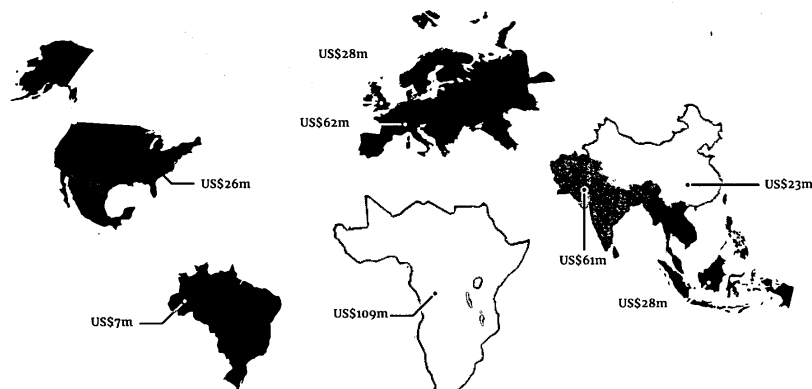
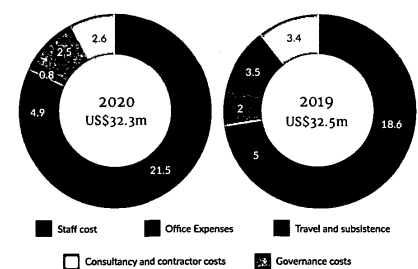


Charitable grant payments by sector (US\$m)



Total grant payments US\$344m

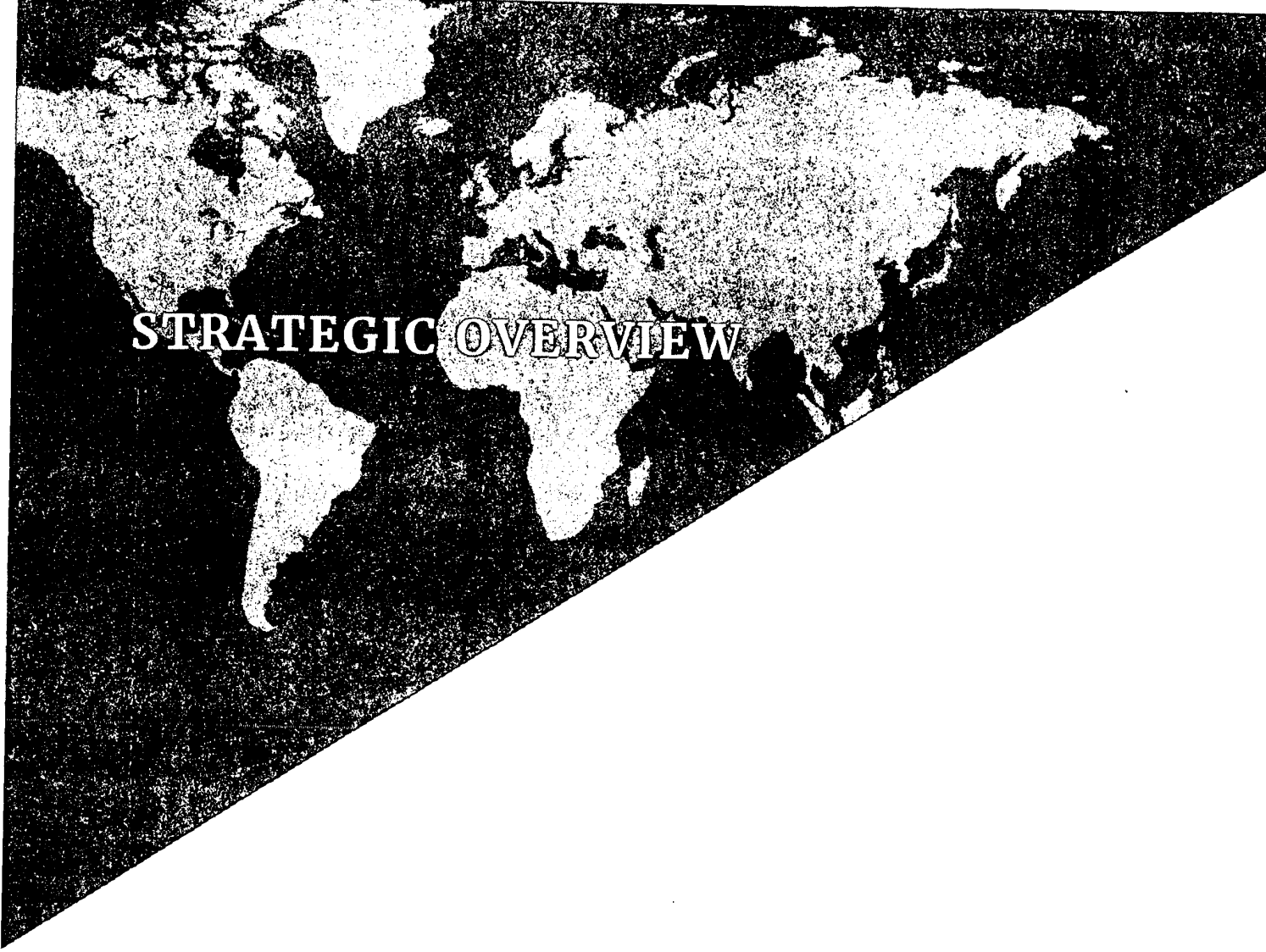
Support cost by type - 2020 and 2019



Global 2020 - US\$344m

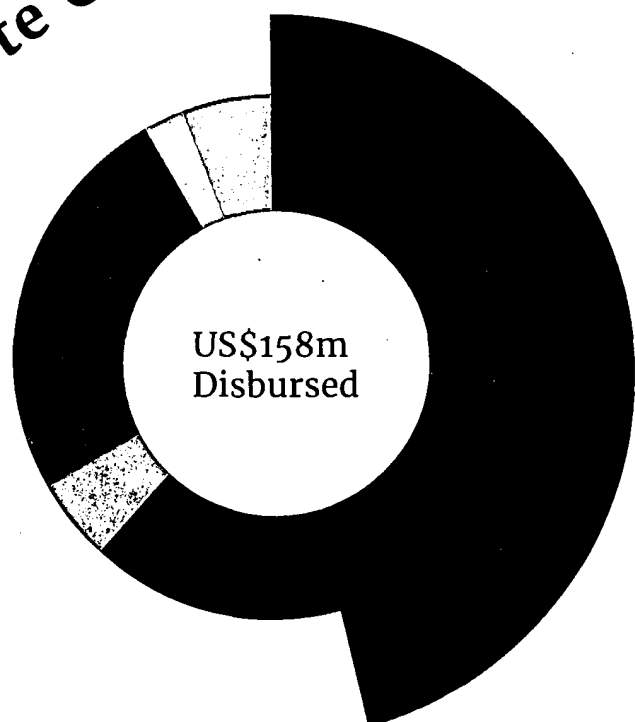
- Europe
- UK
- North America
- South-East Asia
- South Asia
- Latin America
- Sub-Saharan Africa
- China

The map represents grant distributions by location of grantee activity.



STRATEGIC OVERVIEW

Climate Change



Climate Change

The climate crisis is already having a profound impact on children's lives and livelihoods around the world. CIFF is committed to tackling the climate emergency by ensuring global warming is limited to 1.5°C in line with the Paris Agreement. This means investing in strategies that move the world away from fossil fuels and towards renewable energy, decarbonise industry, improve air quality in our cities and promote sustainable food and land use. We also invest in cross-cutting strategies and systemic solutions, from sustainable finance to strategic litigation and impactful communications.

Central to our approach is enabling local solutions, which prioritise work with domestic organisations. In all our programmes, we consider the impact on people and work with our partners to make sure that the transition to a low carbon future is equitable and supports sustainable livelihoods. This means pushing for **progressive policies that provide inclusive, positive outcomes for all**.

The Climate Ambition Summit, in December 2020, was a key moment for CIFF when we joined a group of more than 30 major foundations to underline our commitment to climate solutions. Collectively, we will invest more than \$6 billion by 2025.

Energy

The world's energy systems are still dominated by fossil fuels. We want to take carbon out of the power sector by phasing out coal and stopping new coal facilities from being built. Throughout 2020 **CIFF grantees worked to end coal financing from Japan and South Korea**, which resulted in both countries announcing a net-zero by 2050 commitment and all three of Japan's biggest commercial banks introduced coal exclusion policies.

In addition, we are working to significantly increase the uptake of renewable energy around the world and drive the transition to net zero emissions systems. We support energy programmes in China, India, South East Asia, South Africa, Mexico and Europe, alongside work to transition to low-carbon living around the world. We also helped launch the Energy Transition Partnership (ETP), a multi-donor trust fund to accelerate the sustainable energy transition in South East Asia.

Clean Air and Cities

Air pollution is an avoidable consequence of our carbon intensive lifestyles. We can, and must, do more to reduce emissions that pollute our air, particularly from transport, the power sector, heavy industry and large-scale agriculture. CIFF's partners are building awareness of air pollution and its health impacts, including advocating for better air quality monitoring and using the data to underpin calls for greater action. We are also supporting the implementation of solutions such as **clean air zones** in cities, investment in **greater public transit**, promotion of **walking and cycling**, and **transport electrification**

including of buses, taxis and private vehicles and installation of associated **charging infrastructure**.

As part of the city response to Covid-19, CIFF's grantee C40 (an organisation working to connect 97 of the world's cities to take bold climate action) rapidly mobilised to support cities in responding to the pandemic. C40 launched a **Global Mayors Covid-19 Recovery Task Force** to support Mayors to shape and deliver a green and equitable economic and social recovery.

Food and Land Use

In 2020 CIFF introduced our **cross-cutting Food and Land Use Strategy**. This strategy addresses the harms that extractive food and land use systems drive right across the issues CIFF cares about – climate, nutrition, health, child rights, gender, and biodiversity. Taking an integrated lens, this strategy targets the political economy drivers – including finance, governance, and culture – that must move in order to shift from extractive to regenerative food systems that can deliver for all.

Finance

CIFF's climate finance work has had a tangible impact through our support to Climate Action 100+, a global investor-led initiative seeking to ensure that the world's largest corporate greenhouse gas emitters take necessary action on climate change. In 2020 membership of the coalition grew to more than 540 investors with over \$52 trillion assets under management in membership. On the back of this shareholder pressure, CDP, a CIFF-grantee that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts, supported 377 companies to set Science Based Targets, and increased total disclosure levels by 15%.

2020 also saw the **launch by CIFF's partners of the 'Say on Climate' initiative** which is driving companies around the world to give shareholders an annual vote to tackle climate change. Several companies including sustainability leader Unilever have adopted this transparency mechanism, with major institutional investors and NGOs partnering together to promote this new market norm.

The Climate Ambition Summit, in December 2020, was a key moment for CIFF when we joined a group of more than 30 major foundations to underline our commitment to climate solutions.



Strategic Litigation

Strategic climate litigation has become an increasingly important tool as we seek to inform, implement and enforce laws and influence policies. Ultimately, we're working with partners to bring climate cases to the courtroom with the goal of creating change for the benefit of society.

An example of this in 2020 was the case of Mark McVeigh in Australia (supported by CIFF grantee FILE) against his

\$57 billion superannuation (pension) fund REST for a breach of fiduciary duties by failing to adequately consider climate change risk. In a ground-breaking recognition of the risk that the climate crisis poses to society and the economy, the case was settled, and REST committed to disclose its full portfolio of holdings, conduct climate scenario analysis to inform its investment strategy and advocate for the companies it invests in to comply with the goals of the Paris Agreement.

Adolescence, Sexual & Reproductive Health & Rights



Adolescence, Sexual & Reproductive Health & Rights

2020 was an important year for the Adolescence, SRHR team, as CIFF was selected to co-lead the Bodily Autonomy and Sexual & Reproductive Health & Rights (SRHR) Action Coalition for the Generation Equality Forum (GEF), alongside France, Argentina, Burkina Faso, Denmark and United Nations Fund for Population Activities (UNFPA). The Generation Equality Forum will be a landmark forum, providing momentum for gender transformational work to be mainstreamed through the SRHR sector and beyond.

In response to the pandemic, CIFF's work in SRHR shifted significantly over 2020, with new partnerships to accelerate self-managed care policy and practice, strengthen the architecture for greater supply security, and support new solutions to make quality medical abortion more accessible.

Self-managed care for SRHR

At the centre of CIFF's approach to SRHR is working to empower girls and women with the information, tools and choices to enable them to take control of their sexual and reproductive health and make the health system far more accountable to them.

The Covid-19 pandemic has dramatically limited access to critical health facilities, which has had serious consequences for SRHR. Under these circumstances, demand for self-managed tools – such as HIV self-tests, contraceptive self-injection and telehealth – have grown significantly and have provided ways for national health systems to sustain access. For example, CIFF's work to reduce costs and integrate HIV self-testing into national HIV programmes continued to deliver impressive results with demand across high priority countries exceeding eight million tests and improved follow-up using WhatsApp and call centres that enhanced user support and verification despite the pandemic.

CIFF also launched a **new investment called 'Fast Track' designed to support countries with the process of institutionalising self-managed care**. In partnership with the World Health Organization (WHO) and the Self-Care Trailblazers Group (SCTG), Fast Track is now increasing technical assistance and policy support to key champion countries. Amongst those is Uganda, which approved the national roll-out of contraceptive self-injection, including through pharmacies and drug shops.

Commercial Solutions and Market Growth

In 2020 CIFF strengthened consumer engagement on contraceptive choices, including self-injection, **launching the 'Delivering Innovations in Self-Care' or DISC programme with formative research in Uganda and Nigeria**. In addition, the Adolescents 360 programme entered its final year by surpassing its goal for number

of teenage girls reached with SRHR and adopting services, demonstrating that scalable interventions for adolescent SRH are feasible and cost-effective.

2020 also saw the launch of a new partnership on medical abortion products that brought together manufacturers, purchasers and donors to lower prices for quality-assured choices. Related to this work, **CIFF launched a landmark partnership with other funders and country governments to develop new architecture for improved market management for women's health**. This became the Market Access Initiative (MAI), which aims to sustain supply for the long-term by strengthening go-to-market skills for new SRH products, make user insights more central to supply decisions, and improve public-private delivery partnerships.

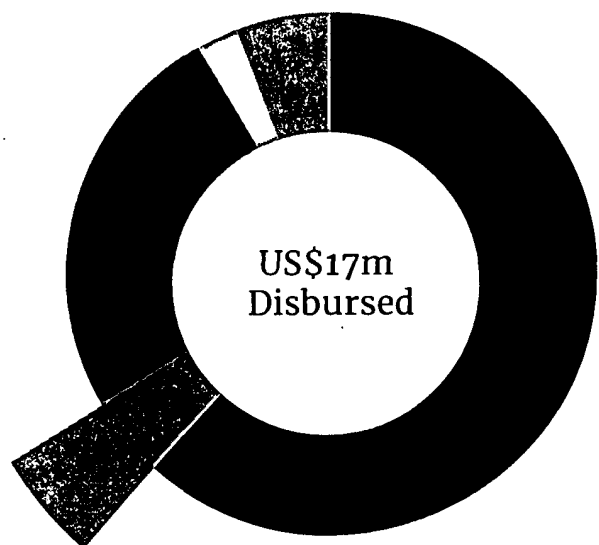
CIFF worked with partners to design new financing solutions to support their resilience during the pandemic. **Working capital loans** were agreed with MSI Reproductive Choices and IPPF; and a novel loan-within-grant agreement with DKT International enabled advance purchase of crucial SRHR supplies for priority countries.

New approaches

Aside from the core strategic areas of focus, CIFF also developed new field-building approaches in 2020, working to improve the environment within which CIFF operates. An example is our new strategic communications strategy to help enable evidence-based SRHR policy advancement in key countries. Our SEC-grantee open Democracy secured high-level impact through their 'Tracking the Backlash' investigation; the largest ever global media investigation into SRHR issues. In the growing cross-collaborative of activities, CIFF supported an alliance of members within the International Union for the Conservation of Nature (IUCN) to bring SRHR into environmental policy. **This resulted in the IUCN passing the first policy in 30 years to reference SRHR** – providing a mandate to deliver policy and programmatic guidance to the conservation sector on gender and family planning.

At the centre of CIFF's approach to SRHR is working to empower girls and women with the information, tools and choices to enable them to take control of their sexual and reproductive health and make the health system far more accountable to them.

Girl Capital



Girl Capital

Girl Capital is ClIFF's newest strategic priority and marks an ambitious move to more gender-transformative programming at ClIFF. Many challenges facing society start with the unequal status of women which is sustained through deep-rooted, regressive norms. This strategy aims to champion the demographic dividend, accelerating the economic growth that can result from the shift in population age structure.

2020 was a foundational year for Girl Capital, focusing initially on India, recruiting three new team members and building a pipeline of exciting proof-of-concept investments worth \$23.5 million.

Foundation of Education and Life Skills

A primary focus for Girl Capital is education. By correcting the bias against girls and women within education systems and, in turn, improving their skills and opportunities, the strategy aims to avert child marriage, delay the age of first pregnancy, and improve women's financial standing.

In 2020, this was achieved through **working with Educate Girls, which enrolled over 300,000 out-of-school girls between the ages of 5 and 18 in India.** This programme exemplifies the Girl Capital approach, by combining school enrolment with an in-school and community-based approach to life skills, in 2020, training almost 100,000 adolescent girls. ClIFF also worked with Porticus, Dell, Echidna, Omidyar and 11 practitioner organisations to form the Life Skills Collaborative. The collaborative aims to define, deliver and assess life skills education for Indian adolescents.

Financial Autonomy

In order to accelerate an improvement in women's livelihoods, ClIFF works through both the Women's Empowerment Fund, which encourages the promotion of female entrepreneurship from governments and business, and the Growing Livelihood Opportunities for Women

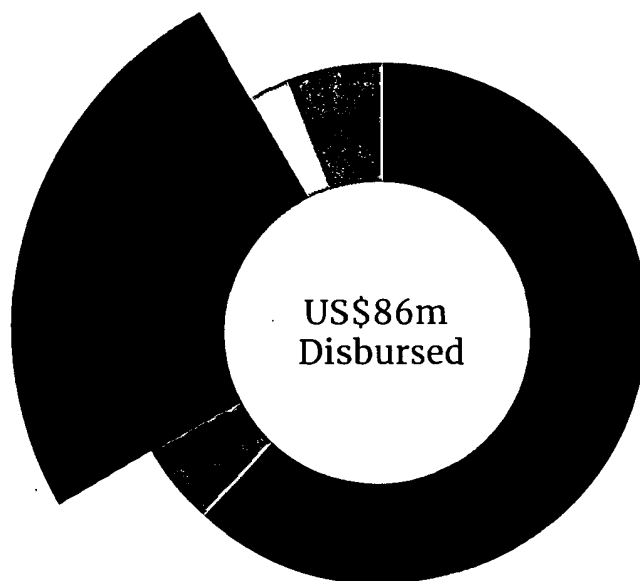
programme, which creates sustainable employment models for women.

Social Norm Change

Over the course of the year, the Girl Capital team also started the complex but critical work of tackling social norms, combining traditional evidence with behavioural economics and social media anthropology. **This includes supporting the Girls First Fund, a donor collaborative that champions community-led efforts to end child marriage globally.**

Many challenges facing society start with the unequal status of women which is sustained through deep-rooted and regressive norms.

Child Health & Development





Child Health & Development

The health and well-being of children remains at the heart of CIFF's grant-making. For our Child Health & Development team, our key areas of focus are nutrition including severe acute malnutrition (SAM) water, sanitation, and hygiene (WASH), as well as prevention and management of neglected tropical diseases (NTDs).

Nutrition

Poor nutrition is the underlying cause of more than 40% of child deaths globally and remains a significant impediment to developing human capital. Millions of children suffer from malnutrition including the worst forms such as Severe Acute Malnutrition (SAM). CIFF's Low-Birth-Weight strategy focuses on breaking the inter-generational cycle of poor nutrition and health in mothers and ensuring that children are born at the right time and of a healthy weight. As part of this work, CIFF is supporting the scale-up of impactful interventions such as Multiple Micronutrient Supplements. CIFF has also been championing the inclusion of prevention of wasting in children within the overall WHO child wasting approach. CIFF, along with other partners, is now supporting the WHO to amend the wasting guidelines to include prevention and treatment of wasting.

In 2020, CIFF was one of the first donors to fund research assessing the full impact of Covid-19 on maternal and child health, through a Lancet publication. This research found that Covid-19 had increased the prevalence of child wasting by 14% in 2020 – which translates to an additional 6.7 million children. The publication was accompanied by a joint call to action by the Executive Directors of all four UN agencies working in nutrition (WHO, UNICEF, World Food Programme, and the Food and Agriculture Organisation). CIFF was at the forefront responding to this crisis on the ground, funding an ambitious new investment, the End Child Wasting Collaborative, in partnership with UNICEF and Institute of Health Metrics and Evaluation (IHME).

Neglected Tropical Diseases (NTDs)

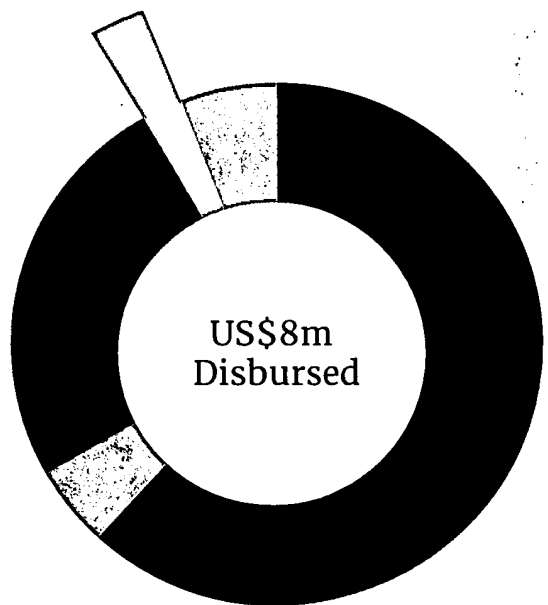
One in five people are affected by NTDs. This equates to over 1.7 billion people, more than the population of Europe and North America combined. The overall goal of CIFF's work on NTDs is to ensure that children and their carers are free from these debilitating diseases, which can hinder nutrition and cognitive development, cause severe pain and permanent disability, and prevent girls and women from achieving their potential. CIFF's NTDs strategy focuses on eliminating trachoma (a bacterial eye infection), intestinal worms (soil-transmitted helminths, and schistosomiasis or bilharzia), and Guinea worm (or dracunculiasis). **In 2020, this included continuing to support AccelerATE as they helped a number of African countries to overcome the final hurdles of trachoma elimination, treating over 30,000 cases over the course of the year.** Through AccelerATE, 11 African countries have

now completed landscape analyses, which will help inform best practice for coordinating NTD activities in the future.

Water, Sanitation and Hygiene (WASH)

CIFF's interventions are focused on mainstreaming services in schools to ensure children have continued access to water, sanitation and hygiene. As part of improving WASH services, **our interventions also focus on making electric power supplies available for schools and healthcare facilities, to ensure that the services are complete.** Along with our partners, CIFF has worked with government bodies to ensure projects are implemented sustainably.

Child Protection





Child Protection

CIFF's Child Protection team works to bring an end to the exploitation of children, including tackling child labour, child trafficking, the commercial sexual exploitation of children (CSEoC), unethical supply chains, and online child sexual exploitation (OCSE). Across CIFF's work on child protection, there is a focus on two core aspects of the cycle of exploitation. The first is **choking demand**, whereby we work with partners to restrict and eliminate demand for child exploitation. The second is **breaking the impunity of perpetrators**, whereby we work with partner organisations to increase the precedent for legal action and punishment for crimes against children as a method of crime prevention. These two focus areas are implemented through work in India and South Asia, as well as global infrastructures, and through online activities.

India and South Asia

With many child protection programmes in India and South Asia working on small-scale projects, CIFF's aim in the region is to bring these projects together and set sector standards, integrating successful models into government policy for sustainability. 2020 saw increased pressures on this work due to the restrictions of the pandemic, but our grantees, including the Freedom Fund, were able to continue their work helping to release children from slavery. **CIFF's investment in Child Labour Free Jaipur has been of particular note in addressing the impunity of perpetrators through driving successful prosecutions**, as well as helping prevent the trafficking and re-trafficking of children.

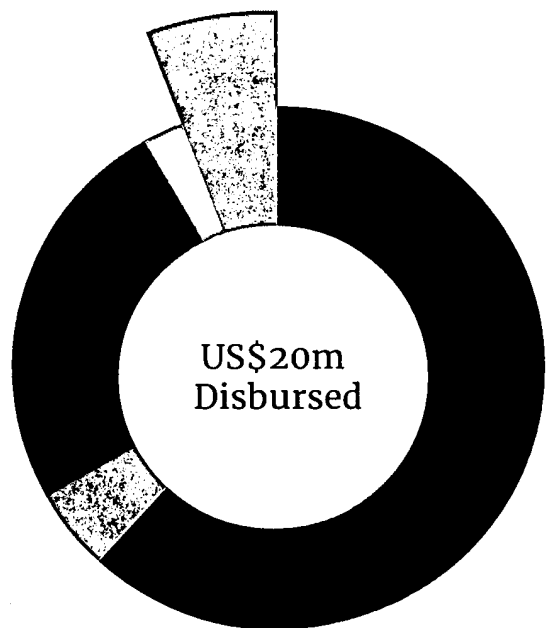
Global and Online

CIFF also works to increase global awareness of child exploitation and actions to protect children. **We and our partners take a holistic approach to global actions and seizing opportunities and moments to act**, from supporting legal cases, through to raising awareness of unethical clothing supply chains.

The scale of risk to children online is particularly challenging, with an image or video of a child being sexually abused being uploaded to the internet every five minutes.¹ This risk requires collective, significant efforts to address. CIFF's work on online child protection actively engages in community building and collaboration, bringing together aligned foundations and donors to form a unified stance against child abuse and exploitation. **As part of this work CIFF supports WePROTECT Global Alliance, a partnership making the fight against online child sexual exploitation stronger.** Over the course of 2020, 98 governments, 39 tech companies and 41 civil society organisations joined the alliance.

¹ <https://www.iwfb.org.uk/news/iwfb-launches-once-upon-a-year-and-vows-to-tackle-demand-for-images-of-child-rape>.

Cross-Cutting



Cross-Cutting

Critical to CIFF's mission to be an impactful, responsive, and catalytic funder lies the role of cross-cutting teams. This includes the Strategic Engagement & Communications (SEC), Evidence, Measurement & Evaluation (EME), Organisational Development (OD) and Impact Investing teams. They support and lead grant-making, delivering activities such as developing new methods to engage key stakeholders and audiences, evaluating the impact of grants, ensuring grantees have effective capacity and impact capabilities, and investing in commercial enterprises in line with CIFF's objectives. This is done with a focus on making our strategies as effective and innovative as possible.

Strategic Engagement & Communications

The SEC team grew over the course of 2020, building its capacity and localised expertise in Kenya, India and China. SEC continued to strengthen the landscape within which CIFF operates through both risk mitigation and thought leadership. This included **increasing its cross-collaborative role in 2020, working across CIFF to map, forecast and manage risk in our primary regions of operation and core thematic areas of focus**. In addition, SEC secured CIFF's co-leadership of the Bodily Autonomy and SRHR Action Coalition, as part of the Generation Equality Forum.

2020 also saw an increased collaboration between SEC and EME, through deepening our understanding of key young feminist movements and their potential positive impact on CIFF objectives, as well as increasing our understanding of how social insights can be gained through using digital tools.

Evidence, Measurement & Evaluation

EME continued to play a critical role in appraising evidence and assuring the quality of strategies and funding decisions, driving continuous improvement of investments, robust evaluations of impact, influencing and leading evidence generation outside of CIFF, and building the capacity of our staff and grantees.

In light of Covid-19, the EME team developed innovative research in 2020 to produce green recovery policy pathways for China, India and Poland. This research comprises of modelling and policy analysis, with an aim to disseminate and cultivate more findings in 2021. It is broad in scope, encompassing Greenhouse Gas mitigation, health improvement as well as job creation. This work reflects EME's strategic vision to further empower and upskill grantees, through enabling them to strengthen their work in advocating for the uptake of green recovery approaches.

EME also increased their focus on technology for development, expanding the team to include a Director for Technology and Data Analytics. This work includes

promoting emerging technologies such as Artificial Intelligence, machine learning and advanced data analytics to support our wider aims and improve both CIFF and our grantees' abilities to accurately monitor, evaluate, and execute impactful programmes. Examples of this include working with governments and other partners to increase their climate ambition, by adopting insights from Earth observational data in the fight against climate change. EME has also developed investments in the area of digitally-enabled performance management of community health workers in African countries, with a particularly large-scale initiative in Ethiopia.

Organisational Development

The OD team is responsible for strengthening grantee capacity to implement programmes, increase their resilience and long-term impact. **Building momentum from 2019, the OD team focused on two broad areas: strengthening grantee capability and developing best practice tools and frameworks for OD in CIFF.**

Complementing our programme investments, the team led eight development projects with strategic grantees across various sectors furthering our ability to enact CIFF strategies and succeed on major investments including: Climate (C40, iCS, 350.org, CDP), EME (APHRC, GPSDD), Adolescence (Triggerise), and CHD (PON). OD also supported programme teams within CIFF to conceptualise and design organisations that will further strengthen CIFF's work in the area of SRH and worked with GSCC (part of European Climate Foundation) on plans to reorganise aspects of their organisation. The team also developed a framework and guide to help programme teams set up new entities.

Impact Investing

In 2020, CIFF's Board approved three new investment themes as part of our Impact Investing activities: Clean Technology, Sustainable Food, Nutrition and Agriculture (FNA), and Essential Products and Services to people in low- and middle-income countries. Each investment theme is designed to help address specific societal or environmental problems, through a private-sector approach. This is in addition to our existing portfolio of life sciences investments focusing on neglected diseases. **Over the course of the year, the team completed an FNA investment into the Acumen Resilient Agriculture Fund, which focused on scaling smallholder farmer supply chains in Africa and their climate resilience.** We continue to assess other opportunities and progress proposals for possible investment in 2021 particularly in the area of environmental impact investments.

Our existing investments performed particularly well in 2020, such as Adjuvant making strides in the areas of women's health and neglected diseases and developing innovations to mitigate the impact of Covid-19.



Africa

2020 was a significant year for CIFF in Africa, marking the first year of execution for CIFF's Africa Strategy (approved in 2019). The five-year strategy focuses on building systemic solutions, resilient communities and local capacity. Throughout the year CIFF continued to expand its presence in Kenya, Ethiopia and Nigeria, adding nine new members of staff to its offices in Nairobi and Addis Ababa, and a regional director to lead our Ethiopia office and investments.

Eliminating NTDs is a core aspect of CIFF's **Child Health & Development** work in Africa. In supporting a number of African countries to overcome the final hurdles of trachoma elimination, CIFF continued to support grantee AccelerATE treat over 30,000 cases of Trachoma in 2020. Through AccelerATE, 11 African countries have now completed landscape analyses, which will help inform best practice for coordinating WASH and NTD activities in the future.

To break the cycle of NTD transmission, CIFF has also been supporting programmes which improve access to clean water and other essential facilities. In Ethiopia, CIFF's Breaking Transmission programme successfully delivered on the drilling of deep wells to address this challenge, and the programme is on track to achieve 85% improved water access in CIFF's target districts.

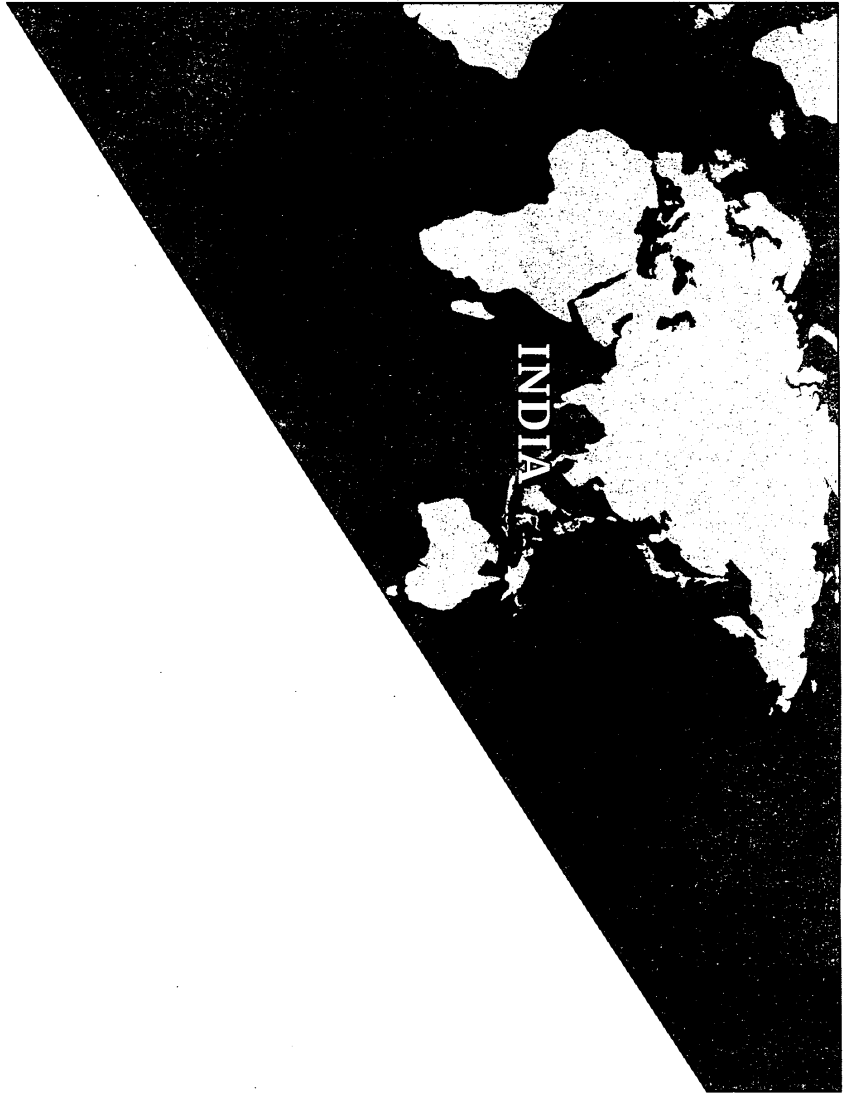
Across Sub-Saharan Africa, 59 million children are stunted due to a lifetime of inadequate or inappropriate nutrition. This has been exacerbated by rural areas facing a lack of access to farm inputs, finance and markets, leaving farming families in a perpetual cycle poverty and hunger. CIFF has been investing in One Acre Fund, a revenue-generating non-profit organisation which supports Africa's largest network of smallholder farmers to introduce

nutrition-sensitive components into existing agriculture interventions. In 2020, 545,000 farmers were enrolled, 63.8% of which were women and 30.8% under the age of 35.

CIFF renewed support to One Acre Fund in 2020, approving a \$20 million investment with the aim of reaching nearly one-fifth of all farmers in eight countries (Kenya, Rwanda, Burundi, Tanzania, Uganda, Malawi, Ethiopia and Nigeria) and making a meaningful dent in global extreme poverty and food insecurity.

Across CIFF's **Adolescence** portfolio in Africa, the focus has been on iterative and inclusive programme design. RISE (the Roadmap for Integrating Smart Start in Ethiopia) is a clear example of this approach. Launched in February 2020 by Dr Lia Tadesse, the Federal Minister of Health in Ethiopia, this investment has been adapted through deep and meaningful engagement with national governments. Through RISE, the Ministry of Health will scale-up "Smart Start" to provide one million married adolescent girls access to financial planning in rural areas. Another key milestone in 2020 was the approval of Adolescents 360 Amplify, CIFF's first adolescent-centred investment in Africa, which will enable over one million girls adopt modern contraception.

Despite an increasingly challenging operating environment for adolescent sexual and reproductive health in Kenya, CIFF has worked with leading health NGO Amref to skilfully navigate these challenges. This has been achieved through both a county-level engagement strategy, as well as programmatic pivots



India

CIFF's work in India on **Child Health & Development** continued to prioritise developing local solutions for local contexts. Our work with FLAG (Facilitating Learning and Action Groups) shows this approach by enabling sustainable community-led initiatives to reduce neonatal mortality. Highlights from an external evaluation of FLAG in 2020 included a 24% reduction in neonatal mortality, which translates into saving an estimated 11,803 lives. In Rajasthan, the Safe Childbirth Checklist programme has further improved the quality of care for mothers and newborns, has reduced the rate of still births from 25 per 1000 live births to 11 per 1000 in facilities that received intervention. The success of the Dakshata programme, which has scaled up the Safe Childbirth Checklist in 24 Indian States, was acknowledged as a notable innovation by the Government of India in their recent Voluntary National Review (VNR) 2020 of the Sustainable Development Goals.

Helping improve nutrition amongst pregnant women, in 2020 the RajPushk programme received an additional \$32 million from the Rajasthan Government for cash transfers to pregnant women over the next five years. This will enable RajPushk to reach over half a million pregnant women through direct cash transfers and behaviour change communications, helping them improve both their own and their babies' nutrition. Central government approved CIFF's innovative intervention of intravenous iron supplementation, as a trial, demonstrating the Government's intent to strengthen nutritional status of pregnant women in India. CIFF's model to improve tribal nutrition through the Matrix of Change investment was also recognised for its success by the Indian Ministry of Tribal Affairs.

In relation to CIFF's work on **Girl Capital** in India, Boys Stand Up is the first major effort to work with adolescent boys in Rajasthan to break patriarchal norms, improve attitudes and practices towards safe, consensual sex and reduce sexual violence. In 2020, our partners trained over 12,000 boys and almost 750 teachers on gender equity through a curriculum approved by the Rajasthan government; this programme also reached 4.8 million boys online with positive masculinity content. Similarly, Girl Effect reached 1,600,000 adolescent girls on social media to motivate them to access SRH knowledge and services.

This year in Rajasthan, CIFF grantee UDAAN reached the milestone of enrolling 43,900 additional girls in school (since its inception in 2017), unlocking \$29.5 million government scholarships to girls. It also enabled over 167,000 women to start using injectable contraceptive across 14 districts in Rajasthan. This involved a range of strategies, from simplifying process for scholarships, to building community awareness and increasing access to contraceptive products.

In 2020, the India **Climate** portfolio continued to grow, with the India Clean Air programme extended with an increased mandate to work across four states (Maharashtra, Rajasthan, Punjab and Jharkhand) to build

the evidence base on the extent and impact of air quality, inform and support the implementation of sectoral policy solutions, and create societal pressure by building narratives and awareness among key stakeholders. Two new Proof of Concept investments were also initiated. One investment focuses on transport decarbonisation and electric mobility through accelerated deployment of zero emission vehicles and modal shift. The second investment on Low Carbon Agriculture and Ecosystem Restoration focuses on creating the evidence that will be needed to shape long-term policy and action, engage market actors (corporates and cooperatives) and adopt natural farming practices.

More broadly, 2020 marked the third year in a row that more renewable energy capacity (5.9 GW) was added than coal (3.9 GW) in India. The government supported this shift, by announcing new guidelines to accelerate the solarisation of agriculture and, in Tamil Nadu and Maharashtra, CIFF's grantees assisted distribution utilities and regulators in drafting state policy and schemes. At state level, Jharkhand introduced new clean air action plans for eight additional cities. CIFF's grantees have been providing technical, policy and regulatory support to the government agencies to help deliver these transitions.

CIFF's **Child Protection** work focuses on optimising the power of partnerships and local change-makers to drive progress towards ending child exploitation. Through our work with the Indian Government and the Freedom Fund, we helped rescue 450 children between March and December 2020, even amidst the restrictions of the pandemic. The Indian Government have now made an important step towards the eradication of child labour, announcing a \$14 million fund to support this work.

CHINA



China

Working in China is an integral pillar of CIFF's climate strategy and portfolio. Our new Beijing office became fully operational in June 2020, with a growing team based in both London and Beijing covering programmes, EME, SEC, finance and operations.

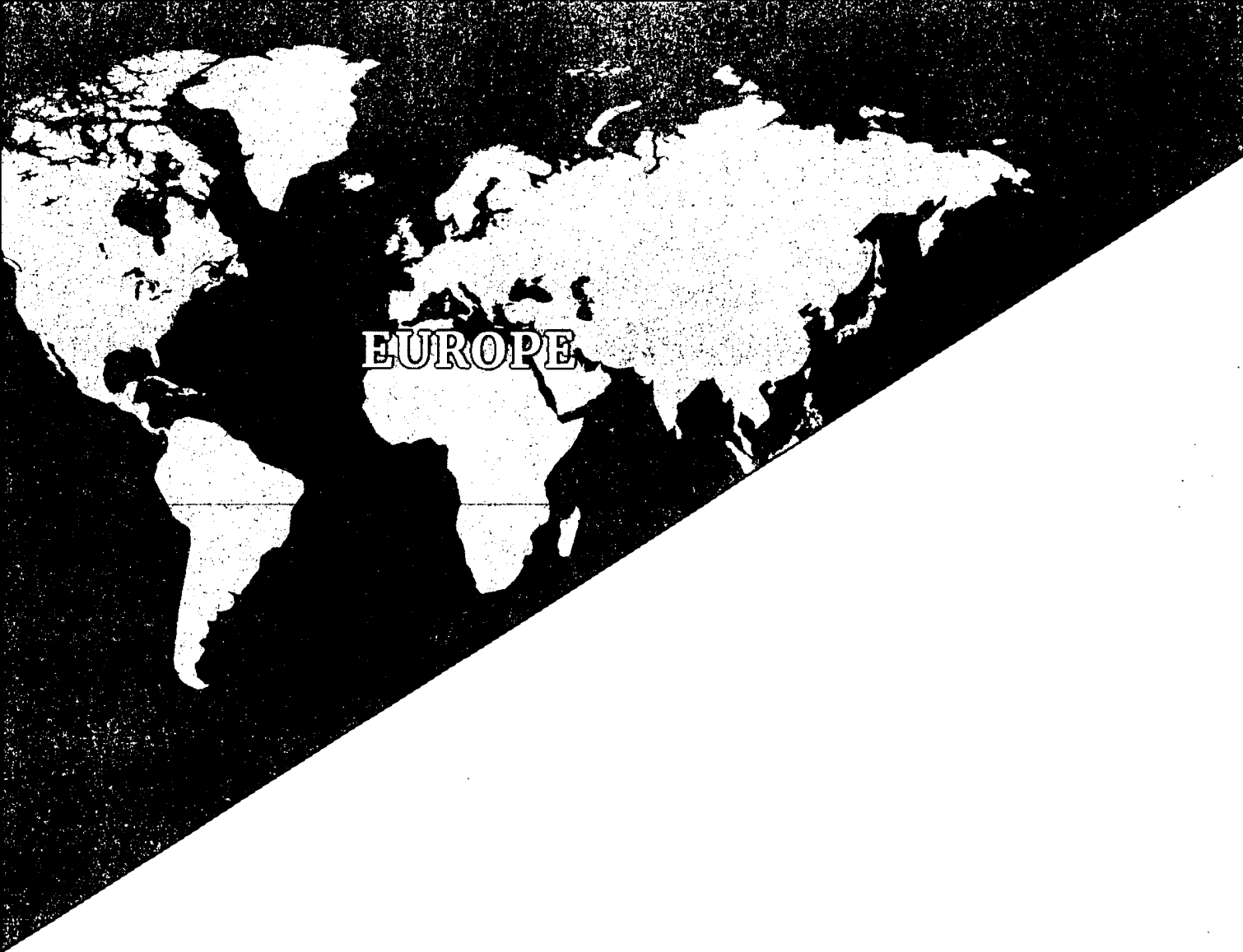
In China, CIFF's overarching aim is to support an accelerated transition towards sustainable development and a low-carbon economy. Our China portfolio spans across energy; industrial and economic transition; sustainable cities and low-carbon transport; air quality management; carbon pricing and green finance; climate and environmental governance; green development of the Belt and Road Initiative; and low-carbon and climate communications.

2020 saw China make the landmark **commitment to reach carbon emission peaking before 2030 and carbon neutrality before 2060** – a commitment which was followed up by concrete targets and scaled up Nationally Determined Contributions (NDCs). This important milestone unlocks extraordinary potential in the global ambition to limit temperature increase by 0.2-0.3 degrees Celsius this century. It was supported by CIFF and our partners' active contribution, conducting mid-century strategy research, providing science-based policy recommendations and facilitating international engagement, co-organised by Energy Foundation China and the China Council for International Cooperation on Environment and Development.

On the ground, CIFF has been working with partners in over 20 cities, across five regions, which collectively account for over 30% of China's carbon emissions. Our pilots in these cities aim to reduce carbon emission by nearly 500 million tons by 2025. Meanwhile, we have worked to build a bridge for international dialogue, facilitating **China-EU-UK talks on climate diplomacy**, to enable more constructive international engagement.

Renewable energy development has gone from strength to strength in China over the past year. With contributions from CIFF-supported grantees, the nation installed **120GW of new wind and solar capacity** in 2020, more than double compared with 2019 – the proportion that these energies now comprise of the total power system also saw an unprecedented increase. CIFF's work also supported China's new Renewable Energy Quota Policy which aims to significantly reduce renewable energy curtailment at provincial level. Following China's new climate commitment and updated NDCs, renewable energy industries are positively responding by considering targets and roadmaps aligned with the nation's carbon peaking and neutrality targets.

After years of support from CIFF grantee – Environmental Defense Fund (EDF) – as well as many other stakeholders, China's national carbon market was officially opened for business in early 2021, with the power sector as a pioneering industry. This carbon market will be an effective mechanism to help achieve China's carbon peaking and neutrality targets. The aim is for further industries, such as steel and cement, to be included soon.



EUROPE



Europe

The CIFF team in London grew from 78 members of staff in December 2019, to 90 by December 2020. This included the introduction of an Executive Director of People, based out of the London office, alongside growth across the sector and operational teams.

Across Europe, CIFF works with a range of partners on several major **climate-related investments**. In recent months, CIFF grantees have played a major role in shaping economic stimulus packages across Europe. In addition to a new €1.1 trillion long-term budget for the bloc, European Union leaders also agreed to a €750 billion extraordinary recovery package in July, titled the Next Generation EU fund. Through the activities of CIFF's strategic grantee, the European Climate Foundation (ECF), we were able to ensure that 30% of the combined funds – €550 billion – will be committed to climate action.

In 2020 CIFF continued to drive efforts to **decarbonize industry** in Europe. Our grantees helped establish the rules underpinning the Sustainable Finance Taxonomy, which will provide a framework for guiding over €1 trillion of public spending under the new EU Budget and EU recovery packages into climate-friendly projects and infrastructure. With our support, Bellona helped secure a \$2.7 billion investment from the Norwegian Government into a flagship Carbon Capture and Storage (CSS) project, that will capture CO₂ at a major cement factory.

Our funding has also enabled greater public participation in climate policy development. In partnership with ECF, we supported ground-breaking **Citizen's Assemblies** on climate change in France and the UK, with others planned in Spain and other cities across Europe. These Citizen's Assemblies put people at the heart of shaping the response to climate change and strengthen the democratic mandate for ambitious and progressive climate policies.

Work on **strategic litigation** also continued across Europe in 2020, with CIFF grantee ClientEarth achieving a number of ground-breaking victories in collaboration with civil society partners. In Belgium, ClientEarth secured an indefinite delay to a €3 billion petrochemicals plant, which challenges the notion that oil companies can turn to petrochemicals as their role in the power sector diminishes. ClientEarth also successfully challenged the European Investment Bank over its decision to grant a €60 million loan for the construction of a biomass plant in Spain.

CIFF continued to support efforts to uphold and introduce air quality-related policy, with CIFF grantees securing several major legal victories. In Germany, the Higher Administrative Court of Berlin and Brandenburg rejected attempts to weaken air quality standards, and the European Commission kickstarted investigations into Poland and Bulgaria for restricting access to justice on air quality matters. Similar work continued in the UK, where a UK coroner found that the death in 2013 of 9-year-old Ella Kissi-Debrah was caused by asthma, contributed to by her exposure to very high levels of air pollution in London. **This is the first time such a ruling that unequivocally names air pollution as cause of death has happened in the UK and, possibly, the world.**

In relation to the finance sector, CIFF grantees supported the **first climate resolution at a major European bank**, Barclays, which garnered 24% support from shareholders. This level of support for a special resolution is unprecedented in the UK. In the European Union, the ECF finance team and partners worked to secure a gold standard fossil fuel exclusion policy at the European Investment Bank, with a review at the European Central Bank in 2021 offering an opportunity to integrate climate into the bank's operations.

Strategic Report



STRATEGIC REPORT

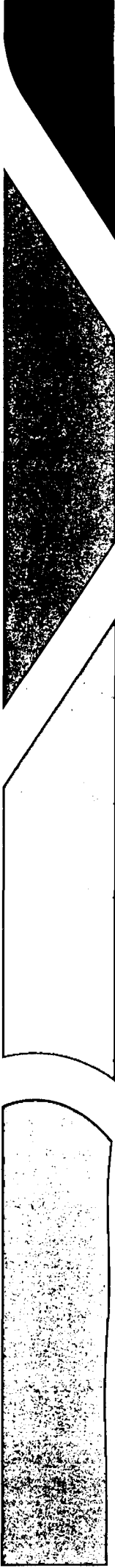
In preparing the Strategic Report, the Trustees have considered their duty to promote the success of the Foundation under section 172(1) of the Companies Act as interpreted in accordance with section 172(2) given the Foundation's charitable objectives.

In making decisions regarding the Foundation's activities, the Trustees have considered a number of factors and most importantly in relation to its grant-making activities, the opinions and advice of independent experts appointed to its Investment Committees (as described further in page 44). Grant-making activity is also informed through regular engagement with grantees, including through a regular grantee survey whereby grantees are able to raise concerns and comments about the grant-making process and programmes. Grantees are also encouraged at all times to raise issues or concerns and these are relayed to the Trustees (and other advisors) through regular portfolio review meetings.

The Foundation regularly engages expert consultants to provide both advice on the work it undertakes and advise on the implications and impact particular programmes could have in seeking to achieve its charitable objectives. Decisions by the Board in relation to ClIFF's endowment are taken following advice from experts appointed to the Finance, Audit and Investments Committee (the "Finance Committee") who oversee the investment management arrangements (as further described in page 44).

In certain circumstances, the non-conflicted Trustees (through the Finance Committee) take advice from independent third-party consultants in relation to the investment management arrangements, in order to ensure the management of the endowment is consistent with the Board's strategy in seeking to achieve its charitable objectives.

The Trustees also regularly rely on the advice of external charity lawyers regarding regulatory and other matters related to the management and operation of the Foundation. This advice is received from experts in the area of charity law that are able to advise on modes of governance, operation and transactions in a manner that fully reflects regulatory requirements, Charity Commission guidance and general best practice. Appropriate legal and other technical advice is obtained from local experts in relation to the Foundation's overseas operations and programmes.



Brexit

The Foundation closely monitored Brexit developments and proposals leading up to the end of the transition period on 31 December 2020. A comprehensive analysis was done to assess the risks to the Foundation as a result of Brexit and this analysis was regularly updated and presented to the Trustees for consideration. As the Foundation has no operations in the European Union, the impact was considered minimal. Importantly, there has been no material impact on the receipt of grants and conduct of programmes by the Foundation's grantees in the European Union. So far as the Foundation is aware, Brexit has not given rise to any restriction or increased costs associated with making grants to European grantees or to the work of those grantees and achievement of the Foundation's charitable objectives.

The Foundation's Finance Committee was regularly updated on the potential impact of Brexit on the investment management arrangements relating to the endowment. Whilst there have been no material impacts on the arrangements as a result of Brexit, the investment manager keeps the impacts under regular review, reporting to the Finance Committee where appropriate.

Brexit has however, introduced greater complexity in relation to hiring staff from the European Union and has potentially affected European Union residents based in the United Kingdom. The Foundation actively engaged with staff and external advisers to ensure that affected staff were provided with all reasonable assistance to clarify their options and status.

Covid-19

Covid-19 has significantly changed the way we work at the Foundation with the majority of the Foundation's staff working from home for the past year. Our focus throughout the pandemic has been maintaining the health and wellbeing of the Foundation's staff, grantees and partners while making every effort to continue to deliver our charitable objective of improving children's lives.

During 2020 and into 2021 we have worked with our grantees and partners to understand the impact of the pandemic and seek solutions to the challenges faced. In some cases, deliverables, timelines and outcomes have had to change but we continue to focus on overcoming the obstacles faced by Covid-19 and delivering our charitable objectives. Despite the challenging environment we are happy to have increased our charitable grant disbursements in 2020 to US\$344 million (2019: US\$269 million) which in some cases includes covering additional costs to allow work to be completed when disrupted by Covid-19.

Social Impact of CIFF's Operations

Improving our culture and championing diversity

Our People Strategy was given increased strategic clarity in 2020 by the addition of an overarching aspiration: 'To build world-class talent and capability to transform the lives of children. Provide an environment where all members of the CIFF Family can be at their best and realise their full potential.' Underpinning this aspiration is the need for the Foundation to build a culture of trust, transparency and collaboration; a culture which is inclusive and where a diverse range of individuals can thrive. Significant progress was made in building this culture during 2020, and plans for 2021 aim to further strengthen our culture and champion diversity within the Foundation.

Highlights of this work in 2020 include the launch of a new Leadership Behaviours framework across the Foundation, articulating the expected behaviours underpinning a culture of trust, transparency and collaboration. These Leadership Behaviours formed part of an enhanced performance review process for 2021 which also now includes a formal opportunity for staff to discuss learning and development needs and future aspirations. These leadership behaviours will underpin all of our HR processes as they are embedded throughout the organisation.

Significant efforts were made during 2020 both to listen to the 'pulse' of the Foundation. These insights have then been used to shape a people strategy and plan which will improve our culture. The overall trend in employee satisfaction data is both positive and improving. Sitting alongside this listening strategy during 2020, a new internal communications platform 'One CIFF, One Family' was launched, successfully connecting people across the Foundation and providing a vehicle for sharing stories and learnings, as well as recognising and celebrating success.

Given the turbulent nature of 2020, the wellbeing of our people has been more important than ever. The Covid-19 pandemic has necessitated an unprecedented pace of change, with both our processes and our people having to adapt quickly to a very different way of working and collaborating. As part of a wide range of measures and support initiatives, we have run a series of wellbeing and resilience workshops, including a number aimed specifically at people managers.

In the area of diversity, significant strides were made during 2020. In addition to a continued priority around ensuring our work is locally-led, with more staff based in the countries where we have active programmes, anti-racism has been a key focus, led by a team of individuals from all corners of the Foundation and supported by external experts. An anti-racism learning journey is underway for all staff, which will develop to encompass a broader view of diversity during 2021. Gender and ethnic pay gap analyses were completed during 2020 providing helpful insights for action which were shared and discussed at Board level. Both gender and racial equality remain key areas of focus, and 2021 will see the implementation of our Diversity, Equity and Inclusion strategy which includes a full review of all our people processes and policies to ensure that they champion diversity in its broadest sense at the Foundation.

Work is well underway to establish a set of clear and meaningful metrics which will inform decision making and enable us to track our progress in both improving our culture and championing diversity.

Reducing the environmental impact of our operations

CIFF remains committed to protecting the environment as we continue to focus on improving the environmental footprint of our buildings and our operations.

Our activities in 2020 have been significantly disrupted by Covid-19 resulting in less office use and close to no travel during Q2'20 to Q4'20. We recognise the resulting positive impact of a reduction in our carbon emissions would not be reflective of a standard year of operations.

In relation to CIFF's operations, our greatest source of emissions will continue to be flights as we visit our projects around the world. As travel restrictions relax, we will actively work with our Board to revisit the Carbon Policy planned for 2020. CIFF's endowment is subject to restrictions to ensure we remain invested in companies that are aligned to CIFF's ethical values. Find out more about our Investment Policy on page 39.

CIFF has appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2020 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy and Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

We have been assessing our carbon emissions with the support of Carbon Footprint since 2019, including backdated estimates to July 2016. CIFF choose to calculate our emissions using a reporting year that differs from our Annual Report. The table below summarises the GHG emissions for reporting year 1st July 2019 to 30th June 2020 together with comparatives period actuals and estimates.

Reporting standards require CIFF to report an intensity ratio. Tonnes CO₂e per US\$ million disbursement has been used which in the 19/20 period was 6 tonnes CO₂e (18/19: 11 tonnes CO₂e).

Activity	Jul'16 to Jun'18 Estimate	Jul'18 to Jun'19	Jul'19 to Jun'20	Cumulative Net position
Total energy consumed (kWh)	N/A	139,772	214,927	N/A
Total Gross Location-Based Emissions (tCO ₂ e)	4,337	2,528	1,705	8,570
Carbon credits (tCO ₂ e)	-	(11,520)	Nil	(11,520)

In 2019 CIFF purchased carbon credits for the period July 2016 to June 2019, together with the period July 2019 to June 2020 based on our estimated carbon emissions, plus an additional 8% to increase our positive impact on mitigation action. Carbon Credits purchased were 50% via Gold Standard Projects and 50% through the European Union Allowance scheme, the latter of which were then cancelled to take out of the system.

Due to much lower emissions from July 2019 to June 2020, the credits purchased to date reflect the impact of our July'16 to June'20 emissions and our estimated emissions for July 2020 to June 2021 including an 8% uplift to increase our overall contribution to mitigation action.

Financial Review

Five-year summary of income and expenditure

Summary of income and expenditure

	2016	2017	2018	2019	2020
	US\$m	US\$m	US\$m	US\$m	US\$m
Incoming resources	315	283	82	106	97
Net Investment gains/(losses)	266	491	131	1,013	431
Foreign exchange	(15)	6	(3)	2	(1)
Total incoming resources including recognised gains and (losses)	566	781	211	1,121	527
Investment management costs	48	67	34	98	14
Charitable activities	243	247	247	289	369
Total resources expended	290	315	281	387	383
Net movement in funds	276	466	(70)	734	144

Summary of assets and liabilities

	2016	2017	2018	2019	2020
	US\$m	US\$m	US\$m	US\$m	US\$m
Investments	4,813	5,233	5,342	5,484	5,973
Current assets	186	550	307	650	232
Total liabilities	(281)	(599)	(521)	(272)	(200)
Total assets less Total liabilities	4,718	5,183	5,128	5,862	6,005

Summary of financial and operational information

	2016	2017	2018	2019	2020
Grant disbursements (US\$m)	242	208	232	269	344
5-Year disbursement ratio*	4%	4.4%	4.8%	5.2%	4.8%
Average headcount (FTE)	80	80	95	115	132
Operating expense as a % of disbursements**	11.3%	11.7%	12.1%	11.8%	9.1%

* The 5-year disbursement ratio is defined as the average spend divided by the average assets over a 5-year rolling period.

** For this ratio, operating cost do not include the exceptional expenses included in 2016, 2017, 2018, 2019 and 2020.

Charitable activities

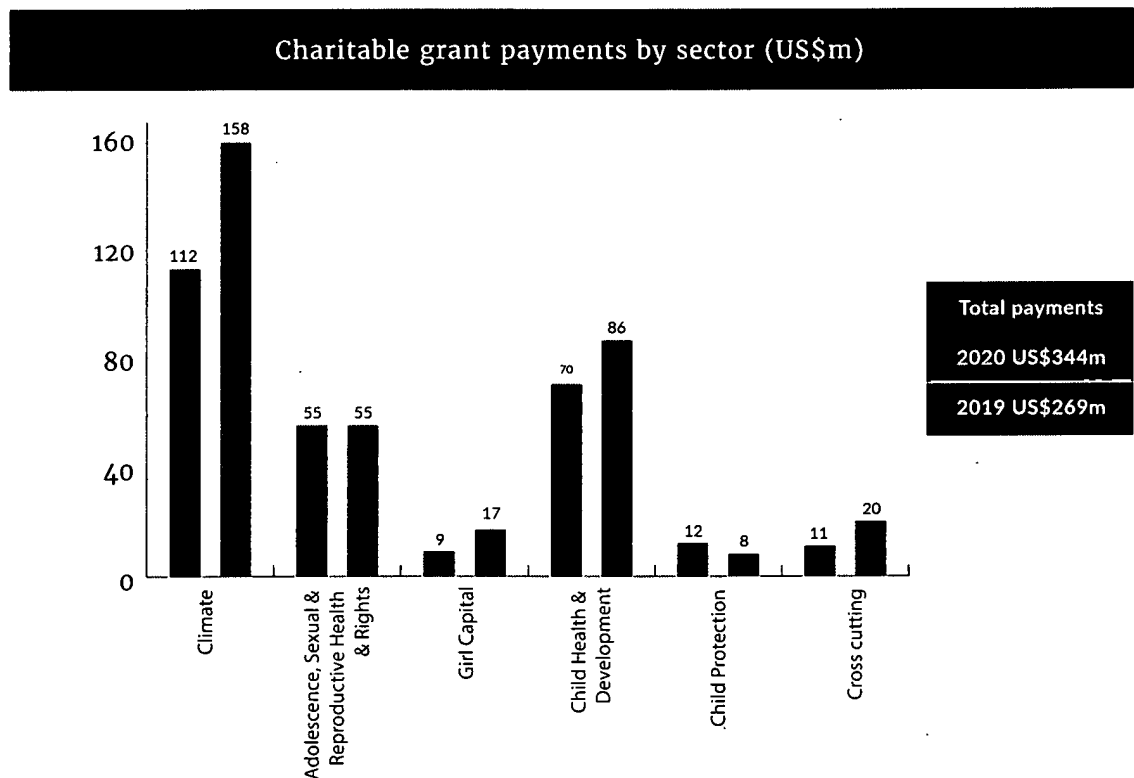
The Foundation committed US\$369 million to charitable activities (2019:US\$289 million), which consisted of US\$335 million of charitable grant commitments (2019:US\$254 million), US\$2 million of activities undertaken directly (2019:US\$2 million) and US\$32 million of operating cost (2019: \$33 million).

Activities undertaken directly (DCA)

The direct expenditure of US\$2 million (2019:US\$2 million) on charitable activities was mainly to further CIFF's mission by convening conferences and events, providing technical assistance and training to grantees and other charitable organisations, and publishing and disseminating research findings.

Grant disbursements

The Foundation made US\$344 million of charitable grant payments in 2020, which is the third successive year of increased disbursements and a 28% increase on the prior year (2019: US\$269 million). The chart below shows the grant payments made in 2020.



Investment Review

Investment strategy

The Trustees have developed an investment strategy which provides for investing in a diverse portfolio of financial investments with a long-term investment horizon. The Foundation's investment objective is to:

- seek an inflation-adjusted return of at least 6% per annum over a 10-year rolling period;
- manage its investment portfolio to ensure appropriate liquidity and risk controls while also permitting illiquid investments with the potential for a high return; and
- diversify its investments across a range of asset classes and industry sectors.

The intention of the Trustees is to maintain and increase the value of the endowment fund to be able to sustain annual charitable disbursements of at least USD\$370 million in 2021 and manage the overall spend in line with the increased spending target, adopted by the Board in late 2019, of distributing up to 7% of average assets over a five-year period, plus additional opportunity funds where deemed necessary.

Asset growth

Since inception, the Foundation has received voluntary income, donations and donations-in-kind of over US\$2.4 billion. Over the last 10 years, the Foundation's net assets have grown through investment to US\$6 billion as at 31 December 2020 (2019: US\$5.9 billion), after charitable activities, governance costs and investment management costs of over US\$2.7 billion (2019: US\$2.3 billion).

Investment returns

Total incoming resources were US\$97 million (2019: US\$106 million), consisting of dividends and interest received from the Group's equity and fixed income investment portfolio together with donations. Investment gains in the year were US\$431 million (2019: \$1,013 million). The combined net investment return for the financial year ended 31 December 2020 was 8% (2019: 21%), despite the market turmoil due to Covid-19, returns of 8% in 2020 exceeded the long term target of 6% plus inflation, with a cumulative performance of 409% since April 2009, equivalent to 15% per annum return (net of fees).

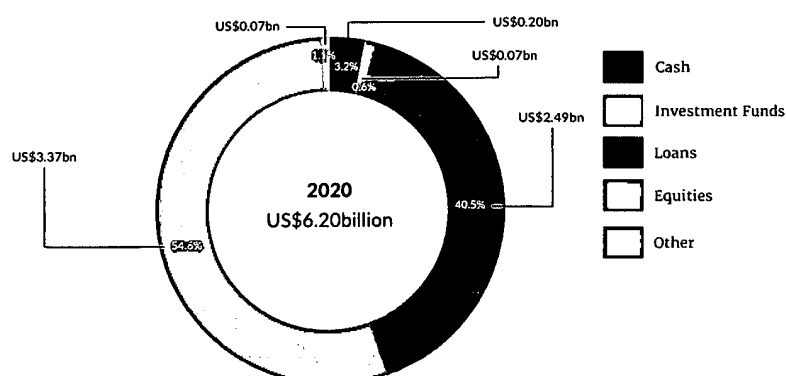
Investment management costs

Investment management costs in 2020 were US\$14 million (2019: US\$98 million) which mainly related to managing subsidiaries holding endowment investments including brokerage charges and investment management fees accrued to the investment manager (TCI Fund Management Limited) or third-party real estate advisor fee (see note 25 for further details of service providers). The Foundation carries out an annual review of the investment manager fees, benchmarked against peers, and has affirmed the fees are reasonable, and represents strong value for fees paid relative to the performance of the investment portfolio. Following a restructure of the holding structure for the Foundation's assets during 2020, TCI FM no longer receives any investment management fees for the management of those assets. A third-party real estate advisor Ave Capital Limited does have the ability to earn fees determined by the performance of certain real estate assets in the endowment. These fees are described in more detail on page 95.

Asset allocation

TCI FM invests the Foundation's assets in different classes and sectors within the parameters set by the Foundation's investment management restrictions, adopted by the Trustees. The Foundation and its subsidiaries (the "Group") operate a diversified portfolio, invested in a number of different types of financial instruments across a wide range of sectors (with certain limitations – see investment policy on page 39). The allocation by asset type is set out in the chart below.

Percentage total asset allocation by asset type (including cash)





Risk Management and Key Policies

Risk Management

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. The principal manageable risks identified by the Trustees are those related to safeguarding of beneficiaries and staff of grantees, exposure to cyber-attacks and fraud and the impacts of Covid-19 on the well-being of staff.

The Trustees are satisfied that systems, controls and policies are in place to mitigate and manage exposure to risks identified by the Trustees through the process described below. They continue to review current processes, recognising that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The management of major risks is carried out in accordance with guidance by the Charity Commission. During 2020 the Foundation adopted a new approach to risk assessment and management that involved the establishment of organisational risk working groups. These groups cover the following areas: Country/Local, Legal and Compliance, Finance and Investments, Operations, Partners, People and Political and Reputational. These groups meet semi-annually (in some cases attended by external advisers) to discuss the risks faced by the Foundation and mitigating actions. The groups each prepare reports that assign ratings to the risks identified based on the likelihood and impact of the risk, which is then adjusted for any relevant mitigations. The final reports from the risk working groups are moderated by the Executive team before being presented to the Board, also on a semi-annual basis.

The Foundation maintains a number of policies to manage risks. These include policies regarding safeguarding, bribery, corruption and fraud and use of IT. In 2019 the Foundation also approved a Modern Slavery Statement which is published on the Foundation's website, along with an internal process for assessing modern slavery risks in its work. The statement was published on a voluntary basis following advice that the Foundation was not formally required to publish such a statement under the Modern Slavery Act 2015. Publication of the Modern Slavery Statement reflects the Foundation's commitment to ensuring modern slavery does not occur in its own supply chains. The Foundation will seek to continue to review, provide training and monitor compliance issues within the Foundation and its programmes. Its compliance policies and processes are reviewed on a regular basis to ensure they reflect best practice.

Investment Risk Management

Investment Policy

The Foundation implements its Investment Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including Charity Commission guidance "Charities and Investment Matters" ("CC14")) through direct and indirect investments, including via investment subsidiaries.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Foundation's investments. The Finance, Audit and Investments Committee the "Finance Committee", chaired by Mr Emmanuel Roman, acts as an advisory body to the Board on finance, audit and investment matters. In addition, in February 2018, the Trustees established the Investments Sub-Committee ("Investment Sub-Committee") to take decisions in relation to the Foundation's endowment. Committee looks at specific issues relating to the endowment where there may be conflicts arising from TCI FM's role as fund manager.

While the Trustees do not wish to restrict the endowment's investments to only those companies or sectors which reflect the Foundation's values and charitable objectives, they recognise that some investments in companies or sectors may be harmful to the Foundation's mission to transform the lives of children across the globe. In December 2019, following receipt of advice from the Finance Committee, the Board resolved to approve amendments to the social, environmental and ethical restrictions in the Investments Policy. As a result, the policy now prohibits investments in companies or entities that:

- Generate any turnover from the business of manufacturing tobacco products and tobacco marketing.
- Market breast milk substitutes unless they have committed to adopt the World Health Organisation's International Code of Marketing Breast Milk Substitutes.

- Generate 10% or more of turnover from extracting, stockpiling, distributing or trading fossil fuels.
- Generate 25% or more of turnover from the development, production, manufacture, distribution, stockpiling, transfer or sale of arms.

If a company in which the Foundation is invested falls into one of these categories, the investment manager has 12 months to divest. However, the investment manager may invest in companies or entities that market breast milk substitutes as described above if the investment manager encourages the relevant company or entity to adopt a publicly available policy committing to adopting the Code of Marketing Breast Milk Substitutes. During 2021, CIFF will perform a full review of their Environmental, Social and Governance relating to investments to ensure best practice policies are followed.

Based on the Finance Committee's own assessment, the Board is satisfied with the current investments and their allocation, although the Board will continue to monitor and review the investment strategy, through the Finance Committee. Following the impact of the Covid-19 pandemic on global capital markets, the Finance Committee is regularly reviewing the performance of the investments and engaging with the investment manager to understand the impact and actions of the manager. The views of the Finance Committee will be shared with the Board so that the non-conflicted Trustees can assess whether they believe any changes to the Investment Policy or the investment management arrangements are required.

The Trustees are aware of the potential conflict of interest which exists between the Foundation and Sir Christopher Hohn as both a Trustee and his position as Managing Partner of TCI FM, the investment manager to certain entities within the Foundation's Group, and accordingly carefully and appropriately manage the relationship (see restructure, page 42).

The members of the Finance Committee complete a full review of the Investment Policy at least annually, which includes a review of TCI FM, benchmarking its returns and management fees against its peers. Following the completion of the last review in May 2020, the unconflicted members of the Board endorsed TCI FM as the sole investment manager of the assets of CIFF's Group. As noted above, in relation to the real estate assets that form part of the Foundation's endowment, AVE is directly appointed to provide services. Further details of the investment portfolio can be seen in the notes to the consolidated financial statements.

Cash Management Policy

The Foundation has a Cash Management Policy, which was adopted by the Trustees on 11 March 2013 and was most recently updated by Trustees in March 2021. The Cash Management Policy is reviewed at least annually by the Finance Committee and the Trustees and, if necessary, amended.

The Cash Management Policy sets out:

- The principal objective of cash management at the Foundation, which is to ensure that the Foundation has sufficient cash available to meet its working capital requirements. The Foundation does not seek to maximise investment returns through its cash management activities;
- The cash management activities that are permitted by the Foundation and the applicable limitations upon those activities; and
- Who is required to authorise cash management activities.

The Foundation implements the Cash Management Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including CC14).

Financial risk management

Internal controls

The Foundation's internal controls are designed to provide assurance to the Board of Trustees that adequate procedures are in place and operating effectively to mitigate the risk of material financial loss or misstatement.

The Foundation reviews internal operational and financial process controls on an on-going basis, with external support where appropriate, and implements improvements. The Foundation continues to invest significantly in IT security, including annual external reviews and the onboarding of an internal resource focused on IT security.

The Foundation's budgets are prepared annually. The Foundation's support and governance spend is set by reference to total planned charitable disbursements to ensure it remains reasonable and proportionate. The Executive Directors review and approve guidance for budget holders and staff to monitor and control operating cost and government-related expenditure. Further details of financial risk management can be seen in Note 15 of the consolidated financial statements.

Granting Policy

The Foundation currently adopts a "multi-year agreement" approach for multi-year programmes. This multi-year agreement permits, for example, a five-year programme to be contracted for the full five-year term of the programme, but subject to Annual Programme Reviews ("APR") and conditionality such that it remains consistent with Statement of Recommended Practice ("SORP") guidance, with expenditure being recognised annually in the Consolidated Statement of Financial Activities.

For each new grant programme, or "investment", a full programme budget and mapped work plan is developed by the grantee and the Foundation programme teams during the due diligence phase in order to obtain the necessary approval by the Board, Programme Investment Committees (PICs), or, in the case of investments of a programme with a budget of \$1 million or less, the CEO (see also the Foundation Governance Structure section on page 43).

Upon approval by the Board or PICs, the full programme budget is agreed for the full-term of the programme, subject to the APR that takes place during each year of the multi-year programme. During the APR, the relevant Foundation programme team reviews the progress of the grant and, if appropriate, agrees the coming year's work-plan, budget, KPIs, milestones and deliverables.

The APR process is set out as a condition of the agreement with the grantee, with release of funding being conditional upon adherence to the work-plan, budget, KPIs, milestones and deliverables by a specific date set out in the multi-year contract.

Failure to complete the APR process and adhere to the work-plans, budgets, KPIs, milestones and deliverables by the relevant date specified may result in cancellation of the agreement.

Reserves Policy

The Foundation maintains three internal reserves to assist in achieving these financial objectives: Restricted Funds, an Expendable Endowment Fund and Unrestricted Funds. The level of these Reserves, considered on a five-year time horizon, is the key determinant in the amount of capital which the Group is able to distribute each year to charitable activities. The Trustees review reserves annually and are satisfied that the CIFF group is in a position to meet all its current and anticipated future commitments.

Unrestricted reserves

Designated funds

As at 31 December 2020, the Trustees have earmarked \$643 million (2019: \$658 million) of reserves as designated funds in recognition of funds which may be called upon to fund approved multi-year programmes within the next 1 to 5 years.

Operational Reserves

The Foundation's unrestricted funds have also been used in 2020 and previous years as "Operational Reserves" to finance the Foundation's grant expenditure and direct charitable activity expenditure, operating cost and governance costs and to provide a short-term buffer for grant-making and other costs.

Cash flow projections for income and expenditure are reviewed to ensure that the level of disposable net assets is adequate, and that the Foundation is in a position to meet all its grant-making and working capital commitments. In the event that the Foundation is unable to meet its commitments from reserves of unrestricted funds at their disposal, the Foundation will, as referred to below, draw on the expendable endowment to meet those commitments as necessary.

In view of the high level of liquidity of a large proportion of the Foundation's assets, the Trustees do not consider that it is necessary or justifiable to carry unrestricted operational reserves and therefore working capital surpluses are transferred to the expendable endowment. The unrestricted operational reserves as at 31 December 2020 was US\$nil (2019:US\$nil).



Restricted Funds

Restricted funds are generated when a donor to CIFF stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Group. The restricted fund balance as at 31 December 2020 was US\$7 million (2019:US\$nil) which consisted of fixed assets relating to drilling equipment for water wells.

Expendable Endowment Funds

The Group's endowment is expendable at the Trustees' discretion. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects. The Trustees' intention is to monitor the value of the expendable endowment fund in real terms over a multi-year period to ensure that the Group can maintain its existing level of annual charitable expenditure and increase it gradually as they see necessary to meet the Foundation's charitable objectives for future years. At the year end, the value of the expendable endowment fund was US\$5,356 million (2019:US\$5,204 million).

Structure

Foundation Structure

The Foundation is a company limited by guarantee, incorporated on 8 February 2002 and registered as an English charity on 12 March 2002. The charity number is 1091043.

Subsidiary Companies

The Foundation has fifteen directly or indirectly owned vehicles within its Group as at 31 December 2020 that have a mixture of purposes including to hold endowment investments and to help achieve the charitable objectives of the Foundation. For the year to 31 December 2020, the reported results of the subsidiary undertakings of CIFF are disclosed in the note 13. These results of the CIFF Group are consolidated and are presented in the consolidated financial statements.

Restructure

During 2020, CIFF's Trustees had sought to simplify the manner in which CIFF holds its endowment investment assets, while also ensuring that the successor structure remains in CIFF's best interests. In furtherance of that objective, the Group implemented a restructure of its main investment holding vehicle, Talos Capital Designated Activity Company (Talos), involving two transactions (together Restructures):

- On 29 May 2020, a transfer of certain investment assets held by Talos to a new English limited partnership, CIFF Capital UK LP (CIFF Capital) (Restructure I); and
- On 30 October 2020, a transfer of the economic entitlement to the remaining investment assets held by Talos to CIFF Capital (Restructure II).

As a result of the Restructure:

1. CIFF is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of, CIFF Capital.
2. A wholly owned subsidiary of CIFF, CIFF General Partner Limited (CIFF GP), is the general partner of CIFF Capital. CIFF GP's board is constituted of two CIFF Executive Directors and four independent directors. CIFF Capital at all times acts through and by CIFF GP.
3. Talos acts as a nominee company holding certain legacy investment assets on trust for CIFF Capital. It receives a remuneration from CIFF Capital for these services on arms' length basis.

Investment management arrangements – Charity Commission

Prior to the Restructures, TCI Fund Management Limited (TCI FM), an organisation ultimately controlled by Sir Christopher Hohn, had provided investment management services to Talos (Original Investment Management Arrangements). During 2020, the original Investment Management Arrangements and any related benefits to Sir Christopher Hohn, had been re-authorised, as being in the best interests of CIFF, up to 31 October 2020.

As a result of the Restructures, the Original Investment Management Arrangements were terminated and Talos released from any obligations to TCI FM, as well as to AVE Capital Limited (AVE).

As part of Restructure I, on 29 May 2020:

1. TCI FM was also appointed as investment manager to CIFF Capital. TCI FM is not paid any fee for these investment management services. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to TCI FM and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital.

As part of Restructure II, on 30 October 2020:

1. Certain performance fees in relation to legacy real estate assets payable by Talos to TCI FM, but due from TCI FM to its sub-contracted third party appointed representative, AVE were transferred to be directly between CIFF Capital; and
2. The performance fee arrangements with AVE were superseded by an intermediary services agreement between CIFF Capital and AVE for performance based payable fees relating to all legacy, existing and any new real estate assets. None of TCI FM, Sir Christopher Hohn or any other parties related to them have any financial interest in AVE.

The Original Investment Management Arrangements have therefore been replaced in their entirety by the investment management and services arrangements set out above.

On the basis of external legal advice, CIFF considers therefore that no benefit (whether financial or non-financial but in each case having a monetary value) arises to Sir Christopher Hohn in respect of the TCI FM's provision of investment management services to CIFF Capital. On completion of Restructure II, the Charity Commission confirmed that its engagement in respect of CIFF's investment management arrangements had been concluded. Going forward, following the external legal advice, CIFF will no longer seek the Charity Commission's authorisation for its investment management arrangements with TCI FM.

Donations by TCI FM, related entities and The CH Foundation

TCI FM made an unrestricted donation to CIFF of \$60,615k (2019: nil) and restricted donations of \$10,711k in 2020 (2019: nil) to support the charitable activities of CIFF. As at 31 December 2020, TCI FM had committed additional restricted funding of \$3,139k (2019: \$nil) to be paid in future years.

Sir Christopher Hohn is also the founder and trustee of the CH Foundation (UK) which made donations to CIFF of \$7,850k (2019: \$3,700k) in 2020 as restricted donations to support the charitable activities of CIFF. As at 31 December 2020, the CH Foundation (UK) had committed additional restricted funding of \$10,910k (2019: \$18,800k) to be paid in future years.

Foundation Governance Structure

The Board of Trustees

The members of the Board of Trustees are set out below. For the purposes of company law, the individuals listed are Directors of the Foundation and are appointed in accordance with the Foundation's constitution. The Board of Trustees meets to review and update the Foundation's strategy and areas of activity, including consideration of grant-making, investment, reserves and risk management policies and performance. The Trustees who were in office during the year and up to the date of signing the financial statements were:

Ms Jamie Cooper (recused and resigned on 22 December 2020)

Sir Christopher Hohn

Dr Graeme Sweeney (resigned 13 May 2021)

Mr Ben Goldsmith

Mr Masroor Siddiqui

Ms Ana Marshall (appointed 30 September 2020)

Dr Marko Lehtimäki (appointed 13 May 2021)

The Trustees are selected on the basis of their skills and expertise, particularly in the areas of business management. The Trustees determine the strategy and policies of the Foundation and monitor implementation and impact. The Trustees also serve as resources to the Foundation, sharing new and relevant research and projects, and directly supporting key aspects of operations.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 9 and 24 to the financial statements. Trustees are required to disclose all relevant interests and review the Board Members' Register of Interests at each Board meeting. Trustees must register all relevant interests with the Company Secretary and, in accordance with the Foundation's Articles of Association and its policy on conflicts of interest, withdraw from decisions where a conflict of interest arises.

The Foundation provides a formal induction programme for new Trustees and new committee members, including the provision of the Foundation's key governance, policy and financial documents, relevant Charity Commission guidance notes and details of the organisational structure of the Foundation (including delegated authority levels).

Induction sessions are also arranged to explain the legal obligations of Trustees and committee members and provide briefings from senior operational personnel and professional advisors.

The Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee was established in May 2006 and is constituted by not less than four members appointed by the Board, one of whom must be a Trustee. Other members with appropriate skills and expertise, who need not be Trustees, may be appointed to the Committee by the Board. The current trustee member is Masroor Siddiqui and the three independent members of the Committee are Emmanuel Roman (Chair), Richard Hayden and Jacob Schimmel. In November 2020, a new member, Ellen Schuman, was appointed as an independent member. ClIFF's CFO, Director of Financial Control, General Counsel and Deputy General Counsel, are regular attendees of the Committee. The Finance, Audit and Investment Committee has delegated responsibility on behalf of the Board for advising the Trustees on audit, finance and investment matters.

Investments Sub-Committee

The Investments Sub-Committee was established in February 2018 and during the year was constituted by the Foundation's non-conflicted and un-recused Trustees, being Graeme Sweeney (Chair), Masroor Siddiqui and Ben Goldsmith. The Investments Sub-Committee has delegated responsibility on behalf of the Board to take certain decisions in relation to the Foundation's endowment.

Programme Investment Committee, Climate

The terms of reference of the Programme Investment Committee, Climate ("PIC Climate") were approved in October 2015 and most recently updated in December 2020. The PIC Climate is constituted by at least three Trustees, the Foundation's CEO, CFO and at least three (but no more than eight) independent advisers. The PIC Climate has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's environmental objectives (advancing environmental protection or improvement, including preservation and conservation of the natural environment) and the promotion of sustainable development to mitigate climate change ("Climate Purposes"). The PIC Climate has decision making authority for grant proposals regarding Climate Purposes up to and including \$30 million.

Programme Investment Committee, Children

The terms of reference of the Programme Investment Committee, Children ("PIC Children") were approved in August 2015 and most recently updated in December 2020. The PIC Children is constituted by at least three Trustees, the Foundation's CEO, CFO and at least three (but no more than eight) independent advisers. The PIC Children has delegated responsibility on behalf of the Board for advising on grant-making activities in relation to the Foundation's non-Climate Purposes. The PIC Children has decision-making authority for grant proposals regarding non-Climate Purposes up to and including \$30 million.

Impact Investment Committee

The Impact Investment Committee ("IIC") was established with the terms of reference approved in May 2020. The IIC is constituted by at least three Trustees, the Foundation's CEO, CFO and up to two independent advisers (subject to a maximum of six members). The IIC has delegated responsibility on behalf of the Board for advising on the Foundation's impact investments (as defined in "Charities and Investment Matters Guide for Trustees" (CC14) or Charities (Protection and Social Investment) Act 2016, as may be amended). The IIC has decision-making authority for impact investments up to and including \$20 million.

CEO Delegated Authority

The Board has delegated to the CEO responsibility for receiving, considering and making decisions upon certain grant proposals up to and including \$1 million. The Terms of Reference for the CEO's delegated authority were approved by the Board on 11 February 2014 and amended on 4 February 2015, 15 August 2015, 23 March 2019 and 10 June 2019. In 2020, this authority was subject to a maximum aggregate limit of 10% of forecast multi-year value ("MYV") of new programmes set out in the relevant financial year's business plan. The CEO also has delegated authority to approve evidence, measurement and evaluation, as well as grantee organisational development grants, in each case up to 1% of MYV.

Risk and Impact Committee

The Risk and Impact Committee ("RIC") was established in May 2020 with final terms of reference approved in March 2021. The RIC is constituted by the General Counsel (Chair), the Chief Impact Officer (CIO), CFO, Head of Strategic Engagement and Communications, the Director of Impact Investments and such other of the Foundation's Executive Directors and Directors as the Committee shall determine, subject to a maximum of seven members. The RIC provides quality assurance reviews on the Foundation's impact investments and has delegated decision-making authority for impact investments up to and including a value of US\$1 million, subject to i) a maximum aggregate of US\$10 million in any financial year and ii) the terms of reference.

Remuneration Committee

The Remuneration Committee was established in February 2015 and is constituted by at least two Trustees. The committee members during the year were Sir Christopher Hohn and Dr Graeme Sweeney and since May 2021 consists of Sir Christopher Hohn, Ana Marshall and Dr Marko Lehtimäki. The Remuneration Committee has delegated responsibility on behalf of the Board for determining and reviewing policy for executive remuneration, approving principles and policies of reward throughout the Foundation (including the design of any performance-related pay schemes operated by the Foundation) and determining the total individual remuneration package of the CEO (including annual bonus).

Recent Developments

Grant to Big Win Philanthropy (UK)

As set out in the Foundation's annual report for the year ended 31 December 2016, the Trustees of the Foundation entered into the conditional agreement, in April 2015, to make a charitable endowment grant of \$360m to Big Win Philanthropy (UK) (BWP), an English registered charity ("the BWP Grant"). BWP was founded by Jamie Cooper, who was formerly a trustee and member of ClIFF and who is the sole member of BWP.

These matters formed part of legal proceedings in the High Court (HC-2016-001810), Court of Appeal (A3/2017/2268) and Supreme Court (UKSC 2018/0150) during period June 2016 – July 2020.

The above captioned legal proceedings have now been fully and finally determined (save insofar as legal costs of the appellate proceedings are concerned).

The conditions to the BWP Grant have now been satisfied: (i) the Charity Commission provided its consent to the BWP Grant pursuant to s.201 Charities Act 2011 and Clause 5.2.5 of the Foundation's Memorandum of Association on 9 November 2020; and (ii) a vote by the independent member of the Foundation under s217 of the Companies Act 2006 was cast on 11 December 2020 approving the BWP Grant. That led to "Positive Determination" within the meaning of the High Court Order (as varied by the Supreme Court Order) and Ms Cooper's irrevocable resignation from ClIFF became effective on 22 December 2020. There are no further rights of appeal or review in respect of the Supreme Court decision, or the Charity Commission consents.

The BWP grant also contained a covenant which was met on 19 January 2021. The grant obligation will not be accounted for within the 2020 Financial Statements due to the covenant conditions not being met as at the reporting date of 31 December 2020, however the grant obligation will be disclosed within the post balance sheet events as a non adjusting event, page 96.

The BWP Grant is scheduled to be paid in equal quarterly instalments over five years from January 2021 to October 2025, and is not projected to have a significant impact on the Foundation's ability to meet its current obligations.

The total legal costs incurred by the Foundation in relation to the governance issues affecting the Foundation (over which its Governance Committee had oversight from its establishment in April 2015), including in relation to the Proposed Grant, from year ended August 2014 up to the year ended 31 December 2020 stand at US\$10,168k (in the year ended 31 December 2020 US\$1,301k (31 December 2019 US\$515k)) which includes US\$836k (in the year ended 31 December 2020 US\$nil (31 December 2019 US\$nil)) in legal fees ordered by the courts to be paid to certain parties in the above-mentioned proceedings relating to the BWP Grant.

Remuneration Report and Other Governance

The principles of the remuneration policy

The Foundation aims to develop and maintain remuneration strategies and policies in line with the corporate strategy, culture and objectives of the organisation. Our reward and recognition strategies and policies are designed to attract and retain motivated and talented people. We will remain competitive within the markets in which we work to manage a skilled and diverse workforce. Salaries are benchmarked periodically using external market data. Exceptional personal performance, giving due consideration to each role, is reflected in discretionary bonus awards and annual salary reviews.

Remuneration of Key Management Personnel

	31 December 2020 US\$'000	31 December 2019 US\$'000
Executive Directors	3,248	2,782
Employer Pension Contributions	73	80
Employer National Insurance Contributions	309	288
Total Consideration	3,630	3,150

The Key Management Personnel of CIFF for the purposes of remuneration disclosure have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

Relationship with Other Charities

The Foundation is a co-founder and collaborator in a number of projects with a range of other UK and international donors, including, but not limited to foundations, government agencies and private individuals.

Foundation Objectives and Public Benefit

The Foundation's objectives, as stated in its governing document, are the general purposes of such charitable bodies or for such other purposes for the benefit of the community as shall be exclusively charitable as the Trustees may from time-to-time determine.

In setting the Foundation's objectives and planning its activities, the Foundation's Trustees have considered section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Foundation's activities and achievements are outlined throughout this Trustees' Report and we believe fully demonstrate that the Foundation is providing public benefit.

Charity Governance Code

CIFF applies the majority of the principles in the Charity Governance Code (the "Code"). In some cases, including trustee engagement, decision-making and evaluation of charity impact, CIFF is in many ways exceeding the best practice stated in the Code. In other areas, such as equality, diversity and inclusion, CIFF has been undertaking a comprehensive assessment to help it build more effective practices to further its charitable purposes.

Trustees' Responsibility and Financial Statements

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the trustees' report (which includes the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006.

Under Company law the trustees 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 Foundation and of the incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Foundation or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

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

Consolidated Financial Statements

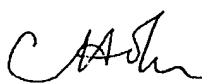
The Trustees present here their report and audited consolidated financial statements for the year ended 31 December 2020. This Trustees' Report, required by the Charities Act 2011, is also the Directors' Report prepared in accordance with Section 415 of the Companies Act 2006. This Trustees' Report also includes the Strategic Report prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Company Information on page 97 also forms part of this report.

Each of the directors confirms he/she has taken all steps that he/she should have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Audit

The auditors, KPMG, have expressed their willingness to remain in office for a further year.

In approving this Trustees' Annual Report, the Trustees are also approving the Strategic Report in their capacity as company directors.



On behalf of the Board
Sir Christopher Hohn
Chairman
24 June 2021

**Independent Auditors Report
to the members of the Children's
Investment Fund Foundation (UK)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Children's Investment Fund Foundation (UK) ('the Foundation') and its subsidiaries ('the Group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated and Foundation Balance Sheets, Consolidated Cash Flow Statement, and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Foundation's affairs as at 31 December 2020 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Foundation or to cease their operations, and as they have concluded that the Group and Foundation's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustee's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the Foundation's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Foundation's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Foundation will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Foundation's regulatory and legal correspondence; and reading Board and Finance Committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the trustees' report, which includes the strategic report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the trustees' report;
- in our opinion, the information given in the trustees' report is consistent with the financial statements; and
- in our opinion, the trustees' report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Foundation'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 Foundation and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Brian Clavin
Senior Statutory Auditor
for and on behalf of
KPMG
Statutory Auditor
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

24 June 2021

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2020 Total
Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income from					
Donations and legacies	24	60,165	18,561	-	79,176
Investments	3	-	-	17,496	17,496
Total incoming resources		60,615	18,561	17,496	96,672
Expenditure on					
Raising funds	3	13,656	-	-	13,656
Charitable activities	4	357,360	11,850	-	369,210
Total resources expended		371,016	11,850	-	382,866
Net gains on investments	13	-	-	430,914	430,914
Foreign Exchange losses	13	(1,197)	-	-	(1,197)
Net Income/(expenditure)		(311,598)	6,711	448,410	143,523
Transfers	20	296,206	-	(296,206)	-
Net movement in funds		(15,392)	6,711	152,204	143,523
Fund balances carried forward at 1 January 2020		657,971	-	5,204,018	5,861,989
Fund balances carried forward at 31 December 2020		642,579	6,711	5,356,222	6,005,512

The consolidated Statement of Financial Activities ("SOFA") has been prepared on the basis that all activities are continuing.
All gains and losses recognised in the year are included in the SOFA.
The accounting policies and the notes on page 56-96 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted Funds	Restricted Funds	Expendable Endowment	Year ended 31 Dec 2019 Total
Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income and endowments from					
Donations and legacies		-	3,740	-	3,740
Income from investments	3	-	-	102,366	102,366
Total incoming resources		-	3,740	102,366	106,106
Expenditure on					
Raising funds	3	98,376	-	-	98,376
Charitable activities	4	285,191	3,740	-	288,931
Total resources expended		383,567	3,740	-	387,307
Net gains on investments	13	-	-	1,013,306	1,013,306
Foreign exchange gains	13	496	-	-	496
Exchange differences on translating foreign currency operations		-	-	1,312	1,312
Net Income/(expenditure)		(383,071)	-	1,116,984	733,913
Transfers	20	471,273	-	(471,273)	-
Net movement in funds		88,202	-	645,711	733,913
Fund balances carried forward at 1 January 2019		569,769	-	4,558,307	5,128,076
Fund balances carried forward at 31 December 2019		657,971	-	5,204,018	5,861,989

The consolidated SOFA has been prepared on the basis that all activities are continuing.

All gains and losses recognised in the year are included in the SOFA.

The accounting policies and the notes on pages 56 to 96 form part of the Consolidated Financial Statements.

THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)
CONSOLIDATED AND FOUNDATION BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020

		Group 31 Dec 2020 US\$ '000	Group 31 Dec 2019 US\$ '000	Foundation 31 Dec 2020 US\$ '000	Foundation 31 Dec 2019 US\$ '000
	Notes				
Fixed Assets					
Intangible assets	11	500	500	-	-
Tangible assets	12	7,502	837	1,030	837
Investments	13	5,964,867	5,483,124	6,137,140	5,887,076
of which loans		2,489,243	2,208,753	5,499,737	-
of which other investments		3,475,624	3,274,371	637,403	5,887,076
Total fixed assets		5,972,869	5,484,461	6,138,170	5,887,913
Current Assets					
Debtors	16	33,071	18,689	3,319	24,497
Cash at bank and in hand	17	104,371	555,515	55,942	16,145
Cash pledged as collateral	17	95,016	75,980	-	-
Total current assets		232,458	650,184	59,261	70,942
Creditors: amounts falling due within one year	18	(165,357)	(226,676)	(193,462)	(91,991)
Net current assets/liabilities		67,101	423,508	(134,201)	(21,049)
Total Assets less current liabilities		6,039,970	5,907,969	6,003,969	5,866,864
Creditors: amounts falling due after one year	19	(34,458)	(45,980)	-	-
Net Assets		6,005,512	5,861,989	6,003,969	5,866,864
Total funds of the charity:					
Expendable endowment fund	20	5,356,222	5,204,018	5,361,390	5,208,893
Restricted funds	20	6,711	-	-	-
Unrestricted funds:					
Designated funds	20	642,579	657,971	642,579	657,971
Total charity funds		6,005,512	5,861,989	6,003,969	5,866,864

The financial statements on pages 52 to 96 were approved by the Trustees and authorised for issue on 24 June 2021, and signed on their behalf by:



Sir Christopher Hohn
Chairman
24 June 2021

The accounting policies and the notes on pages 56 to 96 form part of the Consolidated Financial Statements.

Consolidated Cash Flow Statement

	31 Dec 2020 US\$ '000	31 Dec 2019 US\$ '000
Net cash used in operating activities	(390,039)	(180,034)
Cash flow from investing activities:		
Dividends received	14,816	44,275
Interest received	5,430	5,209
Dividends paid on investments sold short	-	(2,085)
Proceeds from the sale of:		
Investments	1,670,671	2,783,457
Purchase of:		
Intangible assets	-	(500)
Tangible fixed assets	(7,026)	(85)
Investments	(1,743,588)	(2,242,668)
Net cash used in investing activities	(59,697)	587,603
Cash flows from financing activities		
Interest paid	(211)	(1,012)
Net cash used in financing activities	(211)	(1,012)
Change in cash and cash equivalents in the reporting year	(449,947)	406,557
Cash and cash equivalents at the beginning of the reporting year	555,515	147,150
Effect of exchange rate movements on cash and cash equivalents	(1,197)	1,808
Cash and cash equivalents at the end of the reporting year	104,371	555,515

The accounting policies and the notes on pages 56 to 96 form part of the Consolidated Financial Statements.

Reconciliation of incoming resources to net cash flows

	31 Dec 2020 US\$ '000	31 Dec 2019 US\$ '000
Net gain/(loss) for the reporting year (as per the statement of financial activities)	143,523	733,913
Adjustments for:		
Net loss/(gain) on investments	(408,826)	(682,715)
Dividends income	(14,262)	(44,899)
Dividends expense	-	-
Foreign exchange movements	1,197	(1,808)
Interest income on investments	(3,234)	(54,567)
Interest expense	184	713
Depreciation charges	361	270
Decrease/(increase) in debtors	(17,132)	43,324
Decrease/(increase) in cash pledged as collateral	(19,036)	72,035
(Decrease)/increase in creditors	(72,814)	(246,300)
Net cash used in operating activities	(390,039)	(180,034)

The accounting policies and the notes on pages 56 to 96 form part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION

a) Basis of accounting

The Consolidated Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments, and have been prepared in accordance with the Statement of Recommended Practice ("SORP") 'Accounting and Reporting by Charities' (published 2015), the Charities Act 2011, Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006.

The Children's Investment Fund Foundation (UK) (the "Foundation") including its subsidiaries undertakings (the "Group") applied the recognition and measurement provisions of International Financial Reporting Standards ("IFRS") 9 'Financial Instruments' and the disclosure and presentation requirements of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

The Foundation is a public benefit entity and has adapted the Companies Act formats to reflect the Charities SORP and the nature of the Foundation's activities.

The Foundation meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Trustees made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Trustees are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

b) Functional currency and presentational currency

These financial statements are presented in United States Dollar ("US\$"), which is the Group's functional currency. 'Functional currency' is the currency of the primary economic environment in which the Group operates. The Group's investments, grants and expenditures are denominated and paid mostly in US\$. Accordingly, the Board has determined that the functional currency of the Group is United States Dollar. All amounts have been rounded to the nearest thousand, unless otherwise indicated and the terminology 'k' will be used to refer to thousands through the financial statements.

c) Basis of consolidation

The Consolidated Statements of Financial Activities ("SOFA"), Balance Sheets and Cash Flow Statements incorporate the results of The Children's Investment Fund Foundation (UK) (the "Foundation") and its subsidiary undertakings, CIFF (UK) Trading Limited ("CIFF Trading"), CIFF (UK) Newco Limited ("CIFF Newco"), Talos Capital Designated Activity Company ("Talos"), Talos Properties Limited ("TPL"), Talos Properties Holdings Limited ("TPHL"), CIFF Nutrition (UK) Limited ("CIFF Nutrition"), CIFF Capital UK LP ("CIFF Capital"), CIFF Investments LLP ("CIFF Inv"), CIFF Investments II Limited ("CIFF II"), CIFF Investments III LLP ("CIFF III"), CIFF IP Co Limited ("CIFF IP"), CIFF Water Limited ("CIFF Water"), CIFF General Partner Limited ("CIFF GP"), 86th Street Lender LLP ("86th LLP") and 11th Avenue Lender LLP ("11th LLP"). The consolidated entity is referred to as the "Group". No separate SOFA and Cash Flow Statement have been presented for the Foundation alone as permitted by Section 408 of the Companies Act 2006 and SORP. Intra-group balances are eliminated fully on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies used with those used by the Group.

d) Reorganisation of subsidiaries

During 2020, the Trustees have sought to simplify the manner in which the Group holds its endowment investment assets, while also ensuring that the successor structure remains in the Group's best interest. In furtherance of that objective, the Group implemented a restructure of its main investment holding vehicle, Talos, involving two transactions (together, "Restructure"):

- on 29 May 2020, a transfer of certain investment assets held by Talos to a new English limited partnership, CIFF Capital ("Restructure I"); and
- on 30 October 2020, a transfer of the economic entitlement of certain remaining investment assets held by Talos to CIFF Capital ("Restructure II").

As a result of the Restructure:

1. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of, CIFF Capital.
2. A wholly owned subsidiary of the Foundation, CIFF GP, is the general partner of CIFF Capital. CIFF GP's board is constituted of two executive directors of the Foundation and four independent directors. CIFF Capital at all times acts through and by CIFF GP.
3. Talos acts as a nominee company holding certain legacy investment assets on trust for CIFF Capital. Talos receives a remuneration from CIFF Capital for these services on arms' length basis.
4. In Restructure I, the delayed drawdown variable rate notes issued by Talos to the Foundation were transferred by the Foundation to CIFF Capital in settlement of the Foundation's acquisition of interest in CIFF Capital.

5. Talos prepaid a total of US\$5.9 billion of the outstanding principal and interest amount under the delayed drawdown variable rate notes to ClIFF Capital, by way of making an in specie transfer of the beneficial interest of certain of its investment assets to ClIFF Capital.

The principal accounting policies applied in the preparation of these consolidated and separate Financial Statements are set out below in paragraphs (a) to (r). The policies have been consistently applied to all periods presented, unless otherwise stated.

2. ACCOUNTING POLICIES

a) Critical accounting estimates and judgements in applying accounting policies

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported valuations of assets and liabilities within the financial year. Actual results may differ from those estimates. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below and in Notes 13 and 14 for investments.

b) New and amended standards and interpretations

The Financial Reporting Council ("FRC") has published Amendments to FRS 102 – Interest rate benchmark reform, effective for financial periods beginning 1 January 2020. Due to increased uncertainty in the use of interest rate benchmarks such as the London Interbank Offered Rate ("LIBOR"), the use of such benchmarks is being reformed. It is anticipated that such benchmarks will not be available until after 2021. The amendments affect specific hedge accounting requirements and provide relief that will avoid unnecessary discontinuation of hedge accounting during the period of uncertainty. Entities may apply specific hedge accounting requirements assuming that the relevant interest rate benchmark has not been altered by the amendment. A portion of the loan investments held by the Group have linked their yield to LIBOR.

The Group adopted this amendment effective 1 January 2020. The adoption has not resulted in a significant impact to the loan investments held by the Group.

There are presently no other new standards, amendments or interpretations to existing standards that are not yet effective that would be expected to have a significant impact on the Group.

c) Incoming resources

All incoming resources are accounted for when the Group is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income earned on loan investments is recorded within 'Net gains on investments' due to the loans being held at fair value. Interest income on cash balances is recorded in SOFA within 'Income from investments'. Dividend income and expenses, when the underlying security is held directly by the Group, is recognised on ex-dividend date, gross of foreign withholding taxes in SOFA within 'Income from investments'. Withholding tax is accounted for on an accruals basis. For those securities held via an intermediary, the dividends are accounted for when notified. Rental income earned from investment properties is recorded within 'Income from investments'. During 2019, all of investment properties were sold. Refer to Note 3 for further details on Income from investments.

Donations are recognised when the Group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

d) Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to either the sectoral charitable activity areas or cost categories. For expenditure incurred across the sectors, amounts are attributed to each area based on the granting activities undertaken during the financial period. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient. Multi-year grants are subject to periodic reviews and conditionality such that the liability is recognised in most cases annually, when the criteria for recognising the liability are met.

Support costs, other than direct costs for each sectoral activity area and excluding any restricted expenditure, are re-allocated to each of the activities on the following basis, which is an estimate based on annual grant commitments levels:

	2020	2019
Climate Change	45.2%	42.6%
Adolescence, Sexual and Reproductive Health	18.9%	22.2%
Girl Capital	3.1%	4.7%
Child Health & Development	25.0%	18.0%
Child Protection	1.9%	4.4%
Cross Cutting	5.9%	8.1%

2. ACCOUNTING POLICIES (CONTINUED)

Activities undertaken directly relate to expenditure incurred by the Foundation through direct service provision or work undertaken by the Foundation that contributes directly to the Foundation's objectives.

During 2020, the Foundation set up a new sectoral team, Girl Capital, focusing on education by correcting the bias against girls and women within education systems. Other sectoral teams that have continued to support the Foundation's activities, i.e. Strategic Engagement and Communications, Evidence, Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting. The 2019 disclosures have been restated accordingly.

Expenditure incurred in relation to the Foundation's restricted activities are costs specifically identifiable and relevant to the restrictions assigned to those activities and therefore can be allocated to the restricted funds.

e) Financial assets and liabilities

i) Financial assets

Initial recognition and measurement

As per paragraphs 11.2 and 12.2 of FRS 102 the Group has elected to adopt the recognition and measurement requirements of IFRS 9.

Under IFRS 9 'Financial Instruments', financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss ("FVPL"). Purchases and sales of investments are recognised on their trade date, which is the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Foundation has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, financial assets are measured at FVPL. Gains and losses arising from changes in the fair value of the investments category are included in the SOFA in the year in which they arise and are based on the First-In, First-Out ("FIFO") method.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The Group's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

In accordance with IFRS 9, the Group classifies its financial assets at initial recognition into the categories discussed below.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI"). The Group includes in this category short-term non-financing receivables including cash at bank and in hand, cash pledged as collateral and debtors.

Financial assets measured at fair value through profit or loss

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The Group includes in the FVPL category all investments in loans, concessionary loans, real estate loans (principal amount plus accrued interest receivable), listed equities, corporate bonds, private placement and investment funds. This category also includes derivative contracts in an asset position.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For these financial assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group classifies the following financial assets under amortised cost: cash at bank and in hand, cash pledged as collateral and debtors. Cash at bank and in hand and cash pledged

2. ACCOUNTING POLICIES (CONTINUED)

as collateral comprise cash at banks and in hand, on demand and interest bearing deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and their carrying amounts approximate amortised cost. The loss allowance is based on lifetime expected credit losses. All material counterparties have an investment grade credit rating by Moody's/S&P of A1/A+ or higher and there is no history of defaults/non-payment and all receivables' balances are short term (<1 year).

The Group only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted the simplified approach to ECLs. No ECL impairment allowance has been recorded against the Group's receivables during the year. The ECL is not relevant to financial assets at fair value through profit or loss and financial liabilities designated at fair value through profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the SOFA under 'Net gains/(losses) on investments'. Any interest in such transferred financial assets that are created or retained by the Group is recognised as a separate asset or liability.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and include loans and borrowings, payables, and derivatives in a liability position, as appropriate. All financial liabilities are recognised initially at fair value.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include all financial liabilities, other than those measured at FVPL. The Group includes in this category amounts due to brokers, grants, accruals and deferred income and other payables.

Financial liabilities measured at fair value through profit or loss

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in SOFA in the year in which they arise and are based on the FIFO method. Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

The senior delayed drawdown variable rate notes ("Notes") were designated at FVPL at inception. The Group did not designate any derivatives as hedges in a hedging relationship and includes in this category derivative contracts in a liability position.

f) Investments

Listed and unlisted securities

Securities listed or quoted on any securities exchange and regularly traded thereon are valued at fair value. The fair value of an investment is based on its quoted market price.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, other than loans and receivables, will be valued at their fair value based on information provided by TCI Fund Management Limited's ("TCI FM" or the "Investment Manager") portfolio management team such as using the latest available redemption price for investment funds.

Because of their inherent uncertainty, estimated fair values may differ from the values that would have been used had a ready market for the securities existed.

Unfunded commitments

The Group may invest in loans and securities which incorporate a commitment that it will be obliged to pay at a future date if called upon by the counterparty. The timing and amounts of settlement of these potential obligations are uncertain at year end.

Due to these uncertainties the Group does not recognise these amounts as liabilities on its Consolidated Balance Sheet, however these amounts are disclosed as contingent commitments in Note 22. The total uncertain commitments as at 31 December 2020 was estimated as US\$1,026,307k (2019: US\$1,460,955k).

2. ACCOUNTING POLICIES (CONTINUED)

Derivative contracts

Derivative contracts ("derivatives") are recognised at fair value on the date on which the derivative is entered into and are subsequently re-measured at their fair value on an ongoing basis. Fair values are obtained from quoted market prices in active markets, including recent market transactions. Where quoted prices are not available the investments are valued using information provided by brokers.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the SOFA.

The Group enters into forward foreign exchange contracts. Forward foreign exchange contracts are fair valued on a daily basis using the forward contracted rate derived from readily available market data. When the contract is closed, the Group records realised gains/losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Forward foreign exchange contracts are fair valued using the forward contracted rate derived from readily available market data. As at 31 December 2020 the Group held forward foreign exchange contracts with an aggregate fair value and net liability position of US\$54,974k (2019: net asset position of US\$705k).

Investment funds

The Group invests in investment funds ("Investee Funds") which are subject to the terms and conditions of the Investee Funds' offering documentation. The investment in the Investee Funds are primarily valued based on the latest available redemption price of such units for the Investee Fund, as determined by the administrator of the Investee Fund. Where a readily ascertainable market valuation is not available, the Investee Funds are valued at cost less any expected losses (see Note 13). When a share/unit is sold the Group recognises the realised gains/(losses). Other changes in fair value of the Investee Funds are recorded as unrealised gains/(losses). At 31 December 2020, the Group held investment fund positions of US\$66,482k (2019: US\$80,575k).

Leased assets

The annual rentals for operating leases are charged to the SOFA on a straight-line basis over the lease term.

Investments in subsidiaries

Investments in subsidiaries are held at cost, less impairment in the Foundation Balance Sheet.

Loans

The Group invests in Real Estate and Corporate Loans which are accounted for on a fair value basis. Fair values are calculated with reference to discounted cash flow models on the expected future cash flows of each loan investment constructed by external valuers. The movements in the fair values are included within "Net gains on investments" in the SOFA. Please refer to Note 14 which details information surrounding the significant unobservable inputs of these loan investments.

Private placement

Private placement securities are not registered for public sale and are carried at an estimated fair value at each valuation point, as determined by the Group, in consultation with the Investment Manager's portfolio management team, with reference to recent funding rounds and performance updates provided by the investment management's team. At 31 December 2020, the Group held one private placement position (2019: one private placement position), which has been fair valued at US\$Nil (2019: US\$Nil).

Programme related investment

Programme related investments are a type of social investment and are made directly in pursuit of the Foundation's charitable purposes. The primary motivation for making a programme related investments is not for financial gain but to further our charitable objects. Programme related investments can generate some financial return, and the funding may or may not be provided on commercial terms. The current programme related investments portfolio consists of a number of fund and private placement investments which follow the respective investments accounting policy. Programme related investments as at 31 December 2020 amounted to US\$25,439k (2019: US\$18,809k).

Concessionary Loans

The Foundation classified concessionary loans as programme related investment as the primary purpose for this investment is to further the accomplishment of their charitable purposes through facilitating the success of the number of Programmes. The Foundation has elected to initially recognise and measure the loan at the amount paid with the repayments reflected in subsequent years. Concessionary loans for the year ended 31 December 2020 amounted to US\$8,000k (2019: US\$Nil) and are presented within Programme Related investments throughout the notes to the accounts.

2. ACCOUNTING POLICIES (CONTINUED)

Mixed motive investments

Mixed motive investments are made in pursuit of the Foundation's charitable purposes and financial gains. The current mixed motive investment portfolio consists of a number of fund investments which follow the investment policy. Mixed motive investments as at 31 December 2020 amounted to US\$11,410k (2019: US\$3,426k).

g) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into US\$ at the foreign currency spot rate of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the foreign currency spot rates of exchange at the date of the transaction. Differences arising on settlement and translation of monetary items are recognised in the SOFA.

The year end rate prevailing on the balance sheet date was US\$1 : £0.73 (2019: US\$1 : £0.76). For consolidation purposes, balance sheets of subsidiaries reported in Pound Sterling currency ("GBP" or "£") have been converted into US dollar at the foreign exchange rate as at 31 December 2020. For all GBP reported profit and loss accounts of subsidiaries, the average foreign exchange rate for the relevant period has been applied at USD rate of US\$1 : £0.78 (2019: US\$1 : £0.79).

h) Intangible assets and amortisation

Intangible assets that are acquired and developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment loss.

Amortisation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life of 10 years. The amortisation will commence once the intangible product's development is completed.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the SOFA as incurred.

i) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is calculated on a straight line basis so as to write off the cost of an asset over the estimated useful economic life. The estimated useful economic lives of fixtures and fittings is 5 years and plant and machinery is 8 years.

Tangible fixed assets are reviewed annually for impairment. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

j) Cash and cash equivalents

Cash and cash equivalents include amounts due from the Group's counterparties on demand and interest bearing deposits with original maturities of less than 3 months. For each separate account at each prime broker, cash can only be withdrawn so long as there is a sufficient collateral excess within the account.

k) Cash pledged as collateral

Cash pledged as collateral includes balances held at year end with the Group's prime brokers and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin requirements with each broker at the year-end date.

l) Amounts due from/to brokers

Amounts due from brokers include cash from investments sold but which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement. Amounts due to brokers include cash from investments purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

m) Debtors

Amounts due from debtors are measured at transaction price, less any impairment.

2. ACCOUNTING POLICIES (CONTINUED)

n) Creditors

Amounts due to creditors are measured at the transaction price.

o) Funds

Designated funds are the unrestricted funds that have been set aside for a particular purpose by the Trustees. Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Foundation.

Restricted funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Foundation. Restricted funds arise when the funds are specified as such by the donor or when funds are raised for particular restricted purposes.

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income on investments is accounted for within the Expendable Endowment Fund. When the Foundation is unable to meet its commitments from reserves of Unrestricted Funds, there would be a transfer from the Expendable Endowment to Unrestricted Funds to meet those commitments.

p) Delayed drawdown variable rate notes

Talos, a subsidiary of the Foundation issued delayed drawdown variable notes ("the Notes") in 2009, which were subsequently amended in 2019. As of 31 December 2020, the Notes were owned by ClIFF Capital (2019: Foundation), the Notes are classified as a financial asset at FVPL within ClIFF Capital's separate financial statements (2019: Foundation's Balance Sheet). As of 31 December 2020 and 2019, the Notes were designated as financial liabilities at FVPL in Talos' separate financial statements. As part of the restructure in May 2020 and October 2020 the ownership of the notes transferred to ClIFF Capital. Refer to page 42 for further details.

q) Taxation

The Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Foundation is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

r) Operating Leases

The investment properties were leased to tenants under operating leases with rentals payable monthly. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties. The Group has entered into an operating lease for plant and machinery for US\$Nil consideration.

3. INCOME FROM INVESTMENTS AND EXPENDITURE ON RAISING FUNDS

3 (a) Income from investments

The investment income arises from interest received on cash deposits, interest income earned on loans and receivables is recorded, rental income from investment properties, and dividend income from equity securities within the portfolio held by the Group. During 2019, the Group disposed all of its investment properties. The dividend income is recorded at ex-dividend date, gross of foreign withholding taxes. Withholding tax is recorded on an accruals basis.

	Group year ended 31 December 2020 US\$ '000	Group year ended 31 December 2019 US\$ '000
Dividend income	14,262	44,899
Interest income	3,234	54,567
Rental income	-	2,900
	17,496	102,366

(b) Expenditure on raising funds

The expenditure of raising funds of US\$13,656k (2019: US\$98,376k) includes expenditure relating to managing subsidiaries holding endowment investments including brokerage charges, intermediary fees and investment management fees.

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding of activities 2020 ⁽²⁾ US\$ '000	Activities Undertaken Directly 2020 ⁽¹⁾ US\$ '000	Support Cost 2020 ⁽³⁾ US\$ '000	Total Charitable Activities 2020 US\$ '000
Climate Change	151,397	611	11,275	163,283
Adolescence, Sexual & Reproductive Health & Rights	63,227	281	5,836	69,344
Girl Capital	10,251	25	605	10,881
Child Health & Development	83,736	79	6,714	90,529
Child Protection	6,431	-	1,165	7,596
Cross Cutting ⁽⁵⁾	19,734	1,057	6,786	27,577
	334,776	2,053	32,381	369,210

	Grant funding of activities 2019 ⁴ US\$ '000	Activities Undertaken Directly 2019 ⁴ US\$ '000	Support Cost 2019 ⁴ US\$ '000	Total Charitable Activities 2019 ⁴ US\$ '000
Climate Change	108,287	842	11,238	120,367
Adolescence, Sexual & Reproductive Health & Rights	56,403	259	5,968	62,630
Girl Capital	11,903	15	1,297	13,215
Child Health & Development	45,797	261	5,490	51,548
Child Protection	11,096	156	3,072	14,324
Cross Cutting ⁽⁵⁾	20,613	760	5,474	26,847
	254,099	2,293	32,539	288,931

(1) See note 5

(2) See note 6

(3) See note 7

(4) 2019 figures have been restated, refer to Note 2 (d) for further details.

(5) The Group's and Foundation's activities including Strategic Engagement and Communications, Evidence Measurement & Evaluation, Organisation Development and Impact Investing are classified under Cross Cutting.

5. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of US\$2,053k (2019: US\$2,293k) on charitable activities was mainly to further CIFF's mission; providing technical assistance and training to grantees and other charitable organisations; and publishing and disseminating reports on research findings.

6. GRANT FUNDING OF ACTIVITIES

Group and Foundation 2020	Adolescence, Sexual & Reproductive Health & Rights		Child Health and Development		Child Protection	Cross Cutting	Total
	Climate Change US\$ '000	US\$ '000	Girl Capital US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Grantees receiving charitable grants							
Accenture Development Partnerships	-	378	-	-	-	444	822
Active Philanthropy	1,059	-	-	-	-	-	1,059
Addison Whitney	-	329	-	-	-	-	329
African Institute for Development Policy	-	-	-	-	-	533	533
African Population and Health Research Center	-	138	-	359	-	201	698
Aga Khan Foundation India	750	-	-	-	-	-	750
Agulhas Applied Knowledge	308	-	-	-	-	-	308
AIDS Vaccine Advocacy Coalition	-	500	-	-	-	-	500
AKRSP INDIA	2,403	-	-	-	-	-	2,403
Alliance for an Energy Efficient Economy	520	-	-	-	-	-	520
Alliance for Sustainable Energy, LLC	1,196	-	-	-	-	-	1,196
ALMA Fiscal Agent, Malaria No More	-	-	-	-	-	3,749	3,749
Amref Health Africa	-	1,489	-	-	-	(42)	1,447
Asar Social Impact Advisors	453	-	-	-	-	300	753
Bachpan Bachao Andolan	-	-	-	-	349	-	349
Bill & Melinda Gates Foundation	-	2,741	-	-	-	-	2,741
BUSARA Center for Behavioral Economics	-	-	123	287	-	-	410
C40 Cities Climate Leadership Group Inc.	948	-	-	-	-	-	948
Camber Collective	-	92	-	-	-	250	342
Canadian Centre for Child Protection	-	-	-	-	345	-	345
Capital For Good USA	-	-	1,000	-	-	-	1,000
CDP	8,431	-	-	-	-	-	8,431
Center for Countering Digital Hate	-	-	-	-	-	408	408
Center for Study of Science, Technology and Policy	749	-	-	-	-	91	840
Centre for Science and Environment	493	-	-	-	-	-	493
Ceres Inc	1,840	-	-	-	-	-	1,840
Child Rights and You	-	-	750	-	-	-	750
Clean Air Fund	1,546	-	-	-	-	-	1,546
ClientEarth	8,468	-	-	-	-	-	8,468
Climate Policy Initiative	(400)	-	-	-	-	-	(400)
ClimateWorks Foundation	3,214	-	-	-	-	-	3,214
Clinton Health Access Initiative	-	1,041	-	-	-	-	1,041
Coalition for Global Prosperity	-	-	-	-	-	330	330
Concept Foundation	-	476	-	-	-	-	476
Council on Energy, Environment and Water	423	-	-	-	-	-	423
Crown Agents	-	635	-	-	-	-	635

Group and Foundation 2020	Adolescence, Sexual & Reproductive Health & Rights		Child Health and Development		Child Protection	Cross Cutting	Total
	Climate Change US\$ '000	US\$ '000	Girl Capital US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Development Solutions	-	110	100	9	118	60	397
DGDA Switzerland Sarl	-	328	-	-	-	-	328
DKT International	-	4,988	-	-	-	-	4,988
Doc Society	-	-	-	-	-	509	509
E3G	2,376	-	-	-	-	-	2,376
EdelGive Foundation	-	-	-	-	-	417	417
EDF Europe	357	-	-	-	-	-	357
Educate Girls	-	-	3,500	-	-	-	3,500
Educate Girls USA	-	-	500	-	-	-	500
Ekjut	-	-	-	1,935	-	-	1,935
Energy Foundation China	7,250	-	-	-	-	-	7,250
Environmental Defense Fund	1,183	-	-	-	-	-	1,183
European Climate Foundation	52,214	-	-	-	-	160	52,374
Exeter University	497	-	-	-	-	-	497
Federal Ministry of Health, Ethiopia	-	-	-	4,436	-	-	4,436
FHI Partners LLC	-	965	-	-	-	-	965
Foreign Environmental Cooperation Center, Ministry of Ecology and Environment	330	-	-	-	-	-	330
Foundation for International Law for the Environment	12,754	-	-	-	-	300	13,054
Freedom Fund	-	-	-	-	2,644	-	2,644
FRIDA	-	-	-	-	-	413	413
FSG Inc	-	-	-	970	-	-	970
Girl Child Concerns	-	-	-	-	-	800	800
Global Alliance for Improved Nutrition	-	-	-	3,992	-	-	3,992
Global Fund for Women UK	-	-	-	-	-	400	400
Global Fund to fight AIDS, Tuberculosis and Malaria	-	9,000	-	-	-	-	9,000
Harvest Plus	-	-	-	691	-	-	691
Hattaway Communications	-	-	-	-	-	301	301
HD Environmental Consortium	400	-	-	-	-	-	400
In Their Hands	-	436	-	-	-	-	436
Incepta Pharmaceuticals Ltd	-	750	-	-	-	-	750
Iniciativa Climática de México	500	-	-	-	-	-	500
Institute for Energy Economics and Financial Analysis	500	-	-	-	-	-	500
Institute for Governance and Sustainable Development	1,125	-	-	-	-	-	1,125
Institute for Health Metrics and Evaluation	-	-	-	500	-	-	500
Institute for Strategic Dialogue	30	-	-	-	-	499	529
Instituto Clima e Sociedade	4,614	-	-	-	-	-	4,614
International Center for Research on Women	-	-	933	-	-	-	933
International Centre for Diarrhoeal Disease Research, Bangladesh	-	-	-	-	-	418	418
IPE Global Limited	-	-	1,124	3,500	-	17	4,641
ITAD Limited	-	331	-	18	-	-	349

Group and Foundation 2020	Adolescence, Sexual & Reproductive Health & Rights		Child Health and Development		Child Protection		Cross Cutting	Total
	Climate Change US\$ '000	US\$ '000	Girl Capital US\$ '000	US\$ '000	US\$ '000	US\$ '000		
International Union for Conservation of Nature	491	-	-	-	-	-	-	491
Jhpiego	-	-	-	3,029	-	-	-	3,029
John Snow, Incorporated	-	500	-	-	-	2,000	-	2,500
Johns Hopkins University School of Public Health	-	-	-	754	-	330	-	1,084
Kailash Satyarthi Children's Foundation of America	-	-	-	-	500	307	-	807
Kaivalya Education Foundation	-	-	1,180	-	-	-	-	1,180
Kantar Public	-	-	-	423	-	-	-	423
Kenya Red Cross Society	-	(4)	-	310	-	-	-	306
Kybele	-	-	-	928	-	-	-	928
Last Mile Health	-	-	-	1,425	-	-	-	1,425
Liverpool School of Tropical Medicine	-	-	-	694	-	-	-	694
Living Goods	-	-	-	7,247	-	-	-	7,247
London School of Hygiene and Tropical Medicine	-	-	-	629	-	-	-	629
LTS International	107	-	-	-	-	430	-	537
Maisha Meds	-	-	-	803	-	-	-	803
Mann Global Health LLC	-	329	-	-	-	-	-	329
Marie Stopes International	-	1,356	-	-	-	-	-	1,356
Medic Mobile Inc	-	-	-	-	-	749	-	749
Miljostiftelsen Bellona	2,381	-	-	-	-	-	-	2,381
Mylan	-	797	-	-	-	-	-	797
Naari	-	350	-	-	-	-	-	350
Observer Research Foundation	400	-	-	-	-	-	-	400
One Acre Fund	-	-	-	7,424	-	-	-	7,424
Options	-	1,680	-	-	-	-	-	1,680
Orbis	-	-	-	4,893	-	-	-	4,893
Other Grantees	4,118	2,497	146	3,941	975	1,563	-	13,240
PATH	-	1,678	-	685	-	-	-	2,363
Pharm Access Foundation	-	-	-	1,574	-	-	-	1,574
Policy Exchange Ltd.	347	-	-	-	-	-	-	347
Population Foundation of India	-	1,649	-	-	-	891	-	2,540
Prayas, Energy Group	400	-	-	-	-	-	-	400
PSI	-	17,921	-	-	-	-	-	17,921
Quilt.AI	-	32	195	100	-	-	-	327
Results for Development Institute	-	-	-	995	-	-	-	995
Rockefeller Philanthropy Advisors, Inc	2,142	-	-	-	-	-	-	2,142
Rocky Mountain Institute	2,644	-	-	-	-	-	-	2,644
Ross Strategic	-	-	-	-	-	400	-	400
⁽¹⁾ RTI International India	-	-	-	(458)	-	-	-	(458)
Sandholt Holding	313	-	-	-	-	-	-	313
Save the Children	-	-	-	-	-	504	-	504
Sedia Biosciences Corporation	-	1,045	-	-	-	-	-	1,045
SH:24 CIC	-	593	-	-	-	-	-	593

⁽¹⁾ Grant commitments expensed in a previous financial year, cancelled during this financial year and written back.

Group and Foundation 2020	Adolescence, Sexual & Reproductive Health & Rights		Child Health and Development		Child Protection		Cross Cutting	Total
	Climate Change US\$ '000	Health & Rights US\$ '000	Girl Capital US\$ '000	Development US\$ '000	US\$ '000	US\$ '000		
Shape History	-	-	-	-	-	455	455	
SouthSouthNorth	1,703	-	-	-	-	-	1,703	
Splash.org	-	-	-	5,830	-	-	5,830	
Stichting the WePROTECT Global Alliance	-	-	-	-	500	-	500	
The Carter Center Inc	-	-	-	1,250	-	-	1,250	
The Energy and Resources Institute	518	-	-	-	-	-	518	
The Power of Nutrition	-	-	-	3,491	-	75	3,566	
The Sunrise Project	7,487	-	-	-	-	-	7,487	
Thomas Jefferson University	-	-	-	1,635	-	-	1,635	
Transparentem	-	-	-	-	1,000	-	1,000	
Triggerise	-	5,824	-	-	-	55	5,879	
Tsinghua University Education Foundation	500	-	-	-	-	-	500	
United Nations Children's Fund	-	-	700	3,595	-	250	4,545	
United Nations Foundation	-	-	-	-	-	345	345	
United Nations Office for Project Services	5,500	-	-	-	-	-	5,500	
University of Tampere Foundation	-	-	-	1,234	-	-	1,234	
University of Washington	-	753	-	-	-	-	753	
Washington University	-	-	-	350	-	-	350	
William Marsh Rice University	-	-	-	8,150	-	-	8,150	
World Benchmarking Alliance	815	-	-	-	-	-	815	
World Health Organisation	-	1,500	-	282	-	253	2,035	
World Resources Institute	5,000	-	-	-	-	-	5,000	
World Vision Ethiopia	-	-	-	5,826	-	-	5,826	
Young Lives India	-	-	-	-	-	569	569	
Total charitable grants	151,397	63,227	10,251	83,736	6,431	19,734	334,776	

⁽¹⁾ Grant commitments expensed in a previous financial year, cancelled during this financial year and written back.

Group and Foundation 2019 ⁽²⁾	Adolescence, Sexual & Reproductive Health & Rights		Child Health and Development		Child Protection		Cross Cutting	Total
	Climate Change US\$ '000	Rights US\$ '000	Girl Capital US\$ '000	US\$ '000	US\$ '000	US\$ '000		
Grantees receiving charitable grants								
Accenture	-	416	-	-	-	-	-	416
Active Philanthropy	634	-	-	-	-	-	-	634
Africaid	-	407	-	-	-	-	-	407
African Population and Health Research Center	-	245	-	-	-	138	-	383
AIDS Vaccine Advocacy Coalition	-	1,235	-	-	-	-	-	1,235
Albright Stonebridge Group LLC	378	-	-	-	-	-	-	378
Alliance for Sustainable Energy, LLC	3,208	-	-	-	-	-	-	3,208
APCO India	-	-	-	-	131	300	-	431
Bachpan Bachao Andolan	-	-	-	-	855	-	-	855
Bill & Melinda Gates Foundation (BMGF)	-	1,997	-	-	-	-	-	1,997

Group and Foundation 2019 ⁽²⁾	Adolescence, Sexual & Reproductive Health & Rights		Child Health and Development		Child Protection		Cross Cutting	Total
	Climate Change US\$ '000	US\$ '000	Girl Capital US\$ '000	US\$ '000	US\$ '000	US\$ '000		
BRAC UK	-	-	-	-	800	-	-	800
C40 Cities Climate Leadership Group Inc.	7,041	-	-	-	-	550	-	7,591
Campaign Academy	-	-	-	-	-	600	-	600
Capital For Good USA	-	-	2,000	-	-	-	-	2,000
CDP	1,520	-	-	-	-	(789)	-	731
Center for Study of Science, Technology and Policy	400	-	-	-	-	158	-	558
Centre for Science and Environment	789	-	-	-	-	-	-	789
CHASE	-	-	-	251	-	-	-	251
China National Renewable Energy Centre	839	-	-	-	-	-	-	839
China Renewable Energy Society	345	-	-	-	-	-	-	345
Clean Air Fund	9,146	-	-	-	-	-	-	9,146
ClientEarth	6,269	-	-	-	-	-	-	6,269
Climate Policy Initiative	400	-	-	-	-	-	-	400
ClimateWorks Foundation	4,128	-	-	-	-	-	-	4,128
Coalition for Global Prosperity	-	-	-	-	-	269	-	269
Comms Lab	-	-	-	-	-	342	-	342
Concept Foundation	-	685	-	-	-	-	-	685
Corkery Group Unlimited	-	-	-	-	-	290	-	290
Crown Agents	-	2,100	-	-	-	-	-	2,100
CTI	804	-	-	-	-	-	-	804
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	1,000	-	-	-	-	-	-	1,000
Development Solutions	-	-	-	-	6	469	-	475
DKT International	-	5,532	-	-	-	-	-	5,532
Doc Society	25	-	-	-	-	512	-	537
E3G-Third Generation Environmentalism Ltd	900	-	-	-	-	-	-	900
EDF Europe	643	-	-	-	-	-	-	643
Educate Girls	-	-	2,850	1,150	-	-	-	4,000
EGPAF	-	-	-	500	-	-	-	500
Ekjut	-	-	-	1,449	-	-	-	1,449
END Fund	-	-	-	1,590	-	-	-	1,590
Energy Foundation China	8,423	-	-	-	-	-	-	8,423
Environmental Defense Fund	4,096	-	-	-	-	-	-	4,096
Environmental Investigation Agency (UK)	398	-	-	-	-	-	-	398
European Climate Foundation	24,932	-	-	-	-	428	-	25,360
Evidence Action	-	-	-	2,986	-	-	-	2,986
FHI 360	-	-	-	-	-	300	-	300
⁽¹⁾ FMOH - Federal Ministry of Health, Ethiopia	-	-	-	(4,560)	-	1,231	-	(3,329)
Foundation for International Law for the Environment	5,279	-	-	-	-	-	-	5,279
Freedom Fund	-	-	-	-	2,316	141	-	2,457
FRIDA	-	-	-	-	-	400	-	400

Group and Foundation 2019 ⁽²⁾	Adolescence, Sexual & Reproductive		Child Health and Development		Child Protection		Cross Cutting US\$ '000	Total US\$ '000
	Climate Change US\$ '000	Health & Rights US\$ '000	Girl Capital US\$ '000	US\$ '000	US\$ '000	US\$ '000		
Fundacion Horizonte Ciudadano	-	-	-	-	-	447	447	
Girl Effect	-	-	790	-	-	-	790	
Global Impact Advisors (GIA)	-	225	-	-	-	245	470	
Global March India Foundation	-	-	-	-	625	-	625	
Good Stuff	-	-	-	-	-	1,056	1,056	
Graduate Institute - Global Health Centre	-	-	-	531	-	-	531	
Guttmacher Institute	-	375	-	-	-	-	375	
Halteres Associates	-	452	-	-	-	-	452	
Harvard School of Public Health	-	-	-	259	-	-	259	
Humanitas Global Development LLC	-	-	-	519	-	-	519	
iCS - Instituto Clima e Sociedade (LARC Brazil)	514	-	-	-	-	-	514	
ID Insight India Private Limited	-	-	-	600	-	-	600	
Imperial College of Science, Technology and Medicine	-	-	-	-	-	1,070	1,070	
Iniciativa Climática de México	3,000	-	-	-	-	-	3,000	
Institute for Governance and Sustainable Development	5,275	-	-	-	-	-	5,275	
International Center for Research on Women	-	-	812	-	-	-	812	
International Council on Clean Transportation (ICCT)	800	-	-	-	-	-	800	
IPE Global Private Limited	-	-	4,853	1,818	-	-	6,671	
ITAD Limited	-	-	-	-	-	499	499	
Jal Seva Charitable Foundation	-	-	-	520	-	-	520	
Jan Sahas Social Development Society	-	-	-	-	434	-	434	
Jhpiego	-	-	-	3,433	-	-	3,433	
John Snow, Incorporated	-	500	-	-	-	-	500	
Kailash Satyarthi Children's Foundation of America	-	-	-	-	2,523	848	3,371	
Kamonohashi Project	-	-	-	-	467	-	467	
Kois Invest	-	281	-	-	-	-	281	
Liverpool School of Tropical Medicine	-	-	-	515	-	-	515	
Living Goods	-	-	-	3,440	-	-	3,440	
London School of Hygiene and Tropical Medicine (LSHTM)	-	-	-	380	-	103	483	
LTS International	-	-	-	-	-	259	259	
MANA Nutritive Aid Products Incorporated	-	-	-	5,000	-	-	5,000	
Mann Global Health LLC	-	654	-	-	-	-	654	
Marie Stopes International	-	12,366	-	-	-	-	12,366	
Mathematica Policy Research	-	-	-	-	-	261	261	
Meridian Economics (Pty) Ltd	911	-	-	-	-	-	911	
Metrics for Managment	-	335	-	-	-	-	335	
Miljostiftelsen Bellona	1,147	-	-	-	-	-	1,147	
Muthengo Development Solutions	-	-	-	-	-	270	270	
Natural Resources Defense Council	3,057	-	-	-	-	-	3,057	
New Venture Fund	810	-	-	-	-	-	810	

Group and Foundation 2019 ⁽²⁾	Climate Change US\$ '000	Adolescence, Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
Observer Research Foundation	127	-	-	-	-	147	274
⁽¹⁾ One Acre Fund	-	-	-	(789)	-	-	(789)
⁽¹⁾ Options	-	(916)	-	-	-	-	(916)
Other Grantees	3,004	1,493	-	1,520	339	3,179	9,535
Oxford Policy Management (OPM)	-	-	-	-	-	301	301
PATH	-	1,025	-	-	-	-	1,025
Pfizer	-	3,175	-	-	-	-	3,175
Pharm Access Foundation	-	-	-	1,648	-	-	1,648
Play Verto	-	-	-	-	-	500	500
Population Council	-	2,279	-	-	-	242	2,521
Population Foundation of India	-	817	-	-	-	-	817
Praxis UK	-	-	-	-	-	523	523
PSI	-	10,888	-	-	-	-	10,888
Quilt.AI	20	72	598	-	-	-	690
Regulatory Assistance Project	300	-	-	-	-	-	300
Rockefeller Philanthropic Collaborative (RPA)	4,483	-	-	-	-	-	4,483
Ross Strategic	-	-	-	-	-	560	560
RTI International India	-	-	-	-	-	897	897
Sandholt Holding	321	-	-	-	-	-	321
Satellite Applications Catapult	421	-	-	-	-	-	421
⁽¹⁾ Sedia Biosciences Corporation	-	(323)	-	-	-	-	(323)
SH:24 CIC	-	492	-	-	-	-	492
Shakti Sustainable Energy Foundation	500	-	-	-	-	-	500
Sight and Life	-	-	-	655	-	-	655
Sightsavers	-	-	-	5,125	-	-	5,125
Simprints	-	-	-	-	-	3,191	3,191
⁽¹⁾ Social Science Research Council	-	-	-	-	-	(500)	(500)
Splash.org	-	-	-	5,330	-	-	5,330
The Carter Center Inc	-	-	-	1,250	-	-	1,250
The Energy and Resources Institute	2,000	-	-	-	-	-	2,000
The Power of Nutrition	-	-	-	3,400	-	-	3,400
Thorn	-	-	-	-	1,500	-	1,500
Transparentem	-	-	-	-	1,100	-	1,100
Triggerise	-	7,074	-	-	-	97	7,171
⁽¹⁾ United Nations Children's Fund (UNICEF)	-	-	-	(1,047)	-	-	(1,047)
United Nations Foundation	-	-	-	-	-	496	496
University College London (UCL)	-	-	-	-	-	280	280
University of Tampere Foundation	-	-	-	456	-	-	456
Well Told Story	-	1,469	-	-	-	-	1,469
William Marsh Rice University	-	-	-	3,222	-	-	3,222
Wits RHI	-	340	-	-	-	-	340
World Economic Forum LLC	-	-	-	-	-	303	303
World Health Organisation	-	713	-	-	-	-	713
World Vision Ethiopia	-	-	-	4,646	-	-	4,646
Total charitable grants	108,287	56,403	11,903	45,797	11,096	20,613	254,099

⁽¹⁾ Grant commitments expensed in a previous financial year, cancelled during this financial year and written back.

⁽²⁾ 2019 figures have been restated, refer to Note 2 (d) for further details.

7. ALLOCATION OF SUPPORT COSTS

	Climate Change US\$ '000	Adolescence, Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2020							
Support costs							
Staff costs (Note 9)	6,987	3,790	342	4,148	853	5,410	21,530
Office expenses	2,267	896	142	1,185	107	314	4,911
Governance costs (Note 8)	1,146	478	78	634	49	148	2,533
Travel and subsistence	234	156	10	191	78	120	789
Consultancy and contractor costs	641	516	33	556	78	794	2,618
Total support costs allocated to charitable activities	11,275	5,836	605	6,714	1,165	6,786	32,381
	Climate Change US\$ '000	Adolescence, Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Child Protection US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
2019							
Support costs							
Staff costs (Note 9)	6,282	3,232	726	3,123	1,533	3,687	18,583
Office expenses	1,943	867	212	861	743	400	5,026
Governance costs (Note 8)	824	429	92	352	98	157	1,952
Travel and subsistence	1,184	606	132	581	504	516	3,523
Consultancy and contractor costs	1,005	834	135	573	194	714	3,455
Total support costs allocated to charitable activities	11,238	5,968	1,297	5,490	3,072	5,474	32,539

The allocation method of support costs have been discussed in Note 2(d), including the restatement of 2019 activities.

8. GOVERNANCE COSTS

	Group year ended 31 December 2020 US\$ '000	Group year ended 31 December 2019 US\$ '000
Auditors' remuneration	358	274
Legal fees	1,919	1,276
Professional fees	256	402
	2,533	1,952

The auditors' remuneration, for the year ended 31 December 2020 is split between KPMG US\$340k (2019: US\$258k), S.P. Nagraath (India liaison office auditors) US\$10k (2019: US\$8k) and Mazars (China office auditors) US\$8k (2019: US\$8k). In 2020 non-audit fees paid to KPMG were US\$13k (2019: US\$30k) in relation to other professional services.

9. STAFF COSTS

	Group and Foundation year ended 31 December 2020 US\$ '000	Group and Foundation year ended 31 December 2019 US\$ '000
Wages and salaries	16,830	15,104
Social security costs	1,436	1,213
Other pension costs	762	480
	19,028	16,797
Other staff costs	2,502	1,786
Total staff costs	21,530	18,583

The average monthly number of employees (based on the 12-month period) who were employed during the year totalled: 132 (2019: 115). The staff numbers were split between direct activities: 102 (2019: 92) and indirect support: 30 (2019: 23). The number of employees of the Group and Foundation whose remuneration paid in the financial year fell within the following bands were:

Total Remuneration Bandings	Group and Foundation 2020	Group and Foundation 2019
\$85k - \$99k	7	11
\$99k - \$113k	12	6
\$113k - \$127k	7	9
\$127k - \$141k	9	4
\$141k - \$155k	3	4
\$155k - \$169k	3	5
\$169k - \$183k	8	4
\$183k - \$197k	-	1
\$197k - \$211k	4	6
\$211k - \$225k	2	1
\$225k - \$239k	2	1
\$239k - \$254k	1	-
\$254k - \$268k	1	1
\$268k - \$282k	1	1
\$282k - \$296k	1	-
\$296k - \$310k	2	-
\$310k - \$324k	-	2
\$324k - \$338k	-	1
\$338k - \$352k	-	1
\$352k - \$366k	-	1
\$366k - \$380k	2	-
\$380k - \$394k	1	-
\$394k - \$408k	1	-
\$408k - \$423k	1	-
\$423k - \$437k	-	1
\$437k - \$451k	1	-
\$451k - \$465k	1	-
\$465k - \$479k	1	-
\$479k - \$493k	1	-

The staff remuneration applied in the bandings is for the years ended 31 December 2020 and 31 December 2019. The above salaries were paid mainly in GBP and include benefits in kind and have been translated at the average rate of US\$1:£0.78 (2019: US\$1:£0.79).

The contributions in the year for the provision of a defined contribution pension scheme to employees of the Foundation were US\$684k (2019: US\$480k). The number of staff who were members of the scheme was 150 (2019: 113).

The Trustees did not receive any remuneration for their services during the year (2019: US\$Nil). The Trustees' expenses reimbursed for travel and subsistence during the year amounted to US\$1k (2019: US\$15k). In 2020, the reimbursed expenses is related to one trustee (2019: one trustee).

Remuneration of Key Management Personnel

	31 December 2020 US\$'000	31 December 2019 US\$'000
Executive Directors	3,248	2,782
Employer Pension Contributions	73	80
Employer National Insurance Contributions	309	288
Total Consideration	3,630	3,150

The Key Management Personnel of CIFF have been defined as the:

- The Board of Trustees (who are not remunerated in their capacity as Trustees)
- The Executive Directors of the Foundation, who are responsible for the day to day running of the organisation.

The total remuneration to Key Management Personnel is summarised in the table above. Remuneration includes salaries, benefits in kind, bonuses, termination payments and employer pension contributions.

10. TAXATION

The Group Companies, CIFF Capital, CIFF Trading, CIFF Newco, TPHL, TPL, CIFF Nutrition, CIFF Inv, CIFF II, CIFF III, CIFF GP, CIFF Water, 86 LLP and 11 LLP did not realise any taxable profit in this financial year, therefore have no tax liability. The subsidiary company, Talos, incurred US\$1k (2019: US\$Nil) of Irish corporation tax and \$672k of withholding tax (2019: US\$2,295k). The subsidiary company, CIFF IP, incurred tax charges of US\$Nil (2019: US\$34k), due to a taxable loss of US\$3k (2019: taxable profit of US\$179k). In 2020, the subsidiary company, CIFF II, incurred US\$3k deferred tax assets.

11. INTANGIBLE FIXED ASSETS

Group	31 December 2020 US\$ '000	31 December 2019 US\$ '000
Cost brought forward	500	-
Additions during the year	-	500
At year end	500	500
Amortisation brought forward	-	-
Charge for the year	-	-
At year end	-	-
Net book value		
At year end	500	500

The addition in 2019 relates to intellectual property for HIV self-testing. The intangible has remained in its development and testing phase during 2020. As per FRS 102, no amortisation is recorded as the intangible asset is not ready for its intended use.

12. TANGIBLE FIXED ASSETS

Group	Machinery 31 December 2020 US\$' 000	Fixtures and Fittings 31 December 2020 US\$' 000	Total 31 December 2020 US\$' 000	Total 31 December 2019 US\$' 000
Cost brought forward	-	1,428	1,428	1,343
Additions during the year	6,472	554	7,026	85
Disposals during the year	-	-	-	-
At year end	6,472	1,982	8,454	1,428
Depreciation brought forward	-	591	591	321
Charge for the year	-	361	361	270
Reversal on disposals	-	-	-	-
At year end	-	952	952	591
Net book value At year end	6,472	1,030	7,502	837

The machinery has been under construction during the year. As the asset is not ready for its intended use no depreciation is recorded in 2020.

Foundation	Fixtures and Fittings 31 December 2020 US\$' 000	Fixtures and Fittings 31 December 2019 US\$' 000
Cost brought forward	1,428	1,343
Additions during the year	554	85
Disposals during the year	-	-
At year end	1,982	1,428
Depreciation brought forward	591	321
Charge for the year	361	270
Reversal on disposals	-	-
At year end	952	591
Net book value At year end	1,030	837

13. INVESTMENTS

The Group and Foundation's investments comprise of the following:

Group Financial Assets	Notes	31 December 2020 US\$ '000	31 December 2019 US\$ '000
Equities - Overseas		3,372,112	3,157,346
Investment funds	13(e)	66,482	80,575
Mixed motive investments	13(d)	11,410	3,426
Programme related investments	13(b)	25,439	18,809
		<u>3,475,443</u>	<u>3,260,156</u>
Forward foreign exchange contracts		180	14,215
		<u>180</u>	<u>14,215</u>
Loans and receivables		2,489,244	2,208,753
Total Financial Assets		<u>5,964,867</u>	<u>5,483,124</u>

Group Financial Liabilities	Notes	31 December 2020 US\$ '000	31 December 2019 US\$ '000
Forward foreign exchange contracts	18	55,154	13,510
Total Financial Liabilities		<u>55,154</u>	<u>13,510</u>

Gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA	Year ended 31 December 2020 US\$ '000	Year ended 31 December 2019 US\$ '000
Realised gains/(losses) on financial assets and liabilities	616,642	720,999
Unrealised gains/(losses) on financial assets and liabilities	(185,728)	292,307
	430,914	1,013,306
Foreign exchange gains/(losses) on financial assets and liabilities	(1,197)	496
	<u>429,717</u>	<u>1,013,802</u>

Foundation Financial Assets	Notes	31 December 2020 US\$ '000	31 December 2019 US\$ '000
Investment subsidiaries	13(a)	556,414	41,882
Programme related investments	13(b)	25,439	18,809
Investment in variable rate note	13(c)	-	5,757,604
Mixed motive investments	13(d)	11,410	3,426
Loans to subsidiary	13(f)	5,491,737	-
Investment funds	13(e)	52,140	65,355
Total Financial Assets		<u>6,137,140</u>	<u>5,887,076</u>

The table below outlines the categories of investments held by the Foundation at 31 December 2020 and 31 December 2019:

	Investment in subsidiaries US\$ '000	Programme related investments US\$ '000	Mixed motive investments US\$ '000	Variable Rate Notes US\$ '000	Unquoted Investments US\$ '000	Loans to subsidiary US\$ '000	Total US\$ '000
As at 31 December 2019	41,882	18,809	3,426	5,757,604	65,355	-	5,887,076
Additions	6,712	9,587	7,112	-	-	5,491,737	5,515,148
Disposals	(41,763)	(18,498)	(2,189)	(5,943,404)	(11,710)	-	(6,017,564)
Investment gains/(losses)	549,583	15,541	3,061	185,800	(1,505)	-	752,480
As at 31 December 2020	556,414	25,439	11,410	-	52,140	5,491,737	6,137,140
Cost as at 31 December 2020	6,831	18,003	9,961	-	110,003	5,491,737	5,636,535

	Investment in subsidiaries US\$ '000	Programme related investments US\$ '000	Impact Investments US\$ '000	Variable Rate Notes US\$ '000	Unquoted Investments US\$ '000	Total US\$ '000
As at 31 December 2018	41,882	12,965	-	5,073,412	65,192	5,193,451
Additions	-	2,766	3,569	52,000	1,526	59,861
Disposals	-	(4,630)	-	(370,814)	-	(375,444)
Investment gains/(losses)	-	7,708	(143)	1,003,006	(1,363)	1,009,208
As at 31 December 2019	41,882	18,809	3,426	5,757,604	65,355	5,887,076
Cost as at 31 December 2019	41,882	11,631	3,569	4,754,597	121,713	4,933,392

The following tables present the movement of the Group's and Foundation's investments as at 31 December 2020:

Group	Fair value at 31/12/19 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/20 US\$ '000	Cost at 31/12/20 US\$ '000
UK	602,558	156,839	(11,598)	54,337	802,137	1,385,626
Overseas	1,709,003	767,979	(616,597)	(69,946)	1,790,438	1,815,610
Total unquoted	2,311,561	924,818	(628,195)	(15,609)	2,592,575	3,201,236
UK	-	-	-	-	-	-
Overseas	3,171,563	818,770	(1,042,476)	424,435	3,372,292	2,814,233
Total quoted	3,171,563	818,770	(1,042,476)	424,435	3,372,292	2,814,233
Total	5,483,124	1,743,588	(1,670,671)	408,826⁽¹⁾	5,964,867	6,015,469

⁽¹⁾ The difference between total gains above of US\$408,826k and the SOFA gain of US\$429,717k, (sum of net gains on investments of US\$430,914k and foreign exchange losses of US\$1,197k) is due to the interest on loans of US\$204,367k and unrealised loss on short forward foreign exchange contracts of US\$183,476k which are disclosed within creditors: amounts falling due within one year and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the Foreign exchange overlay.

Foundation – Investments Held at Fair Value

	Fair value at 31/12/19 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value At 31/12/20 US\$ '000	Cost at 31/12/20 US\$ '000
UK	-	5,491,737	-	549,583	6,041,320	5,491,737
Overseas	5,845,194	16,699	(5,975,801)	202,897	88,989	137,967
Total unquoted	5,845,194	5,508,436	(5,975,801)	752,480	6,130,309	5,629,704

Foundation – Investments Held at Cost

	Cost at 31/12/19 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/20 US\$ '000
UK	41,882	6,712	(41,763)	6,831
Total	41,882	6,712	(41,763)	6,831

The following tables present the movement of the Group's and Foundation's investments as at 31 December 2019:

Group	Fair value at 31/12/18 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/19 US\$ '000	Cost at 31/12/19 US\$ '000
UK	581,721	-	-	20,837	602,558	568,616
Overseas	2,391,923	498,057	(1,193,273)	12,296	1,709,003	1,653,814
Total unquoted	2,973,644	498,057	(1,193,273)	33,133	2,311,561	2,222,430
UK	-	-	-	-	-	-
Overseas	2,321,132	1,744,611	(1,532,633)	638,453	3,171,563	2,675,243
Total quoted	2,321,132	1,744,611	(1,532,633)	638,453	3,171,563	2,675,243
UK	46,422	-	(57,551)	11,129 ⁽²⁾	-	-
Total property	46,422	-	(57,551)	11,129	-	-
Total	5,341,198	2,242,668	(2,783,457)	682,715⁽¹⁾	5,483,124	4,897,673

⁽¹⁾ The difference between total gains above of US\$682,715k and the SOFA gain of US\$1,013,802k, (sum of net gains on investments of US\$1,013,306k and foreign exchange gains of US\$496k) is due to the interest on loans of US\$285,367k and unrealised gains on short forward foreign exchange contracts of US\$45,720k which are disclosed within creditors: amounts falling due within one year and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the Foreign exchange overlay.

⁽²⁾ The total gains above of US\$11,129k include exchange differences on translating foreign operations.

Foundation – Investments Held at Fair Value

	Fair value at 31/12/18 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value At 31/12/19 US\$ '000	Cost at 31/12/19 US\$ '000
Overseas	5,151,569	59,861	(375,444)	1,009,208	5,845,194	4,891,510
Total unquoted	5,151,569	59,861	(375,444)	1,009,208	5,845,194	4,891,510

Foundation – Investments Held at Cost

	Cost at 31/12/18 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/19 US\$ '000
UK	41,882	-	-	41,882
Total	41,882	-	-	41,882

13. INVESTMENTS (continued)

13 (a) Investments in subsidiaries

The table below details the investments held by the Foundation in its subsidiaries:

Entity	Incorporated in	% Holding	Purpose	Profit/(loss) US\$ '000	
				2020	2019
CIFF (UK) Trading Limited ("CIFF Trading")	England & Wales	100	(1)	(3)	(21)
CIFF (UK) Newco Limited ("CIFF Newco")	England & Wales	100	(2)	(3)	(13)
Talos Capital Designated Activity Company ("Talos")	Ireland	100	(3)	4	4
Talos Properties Holdings Limited ("TPHL")*	England & Wales	100	(4)	(2)	(11,183)
Talos Properties Limited ("TPL")*	England & Wales	100**	(5)	(3)	(11,156)
CIFF Nutrition (UK) Limited ("CIFF Nutrition")	England & Wales	100	(6)	(2)	(15)
CIFF Capital UK LP ("CIFF Capital")	England & Wales	100***	(7)	(549,583)	n/a
CIFF Investments LLP ("CIFF Inv")	England & Wales	100**	(8)	7,926	10,688
CIFF IP Co Limited ("CIFF IP")	England & Wales	100	(9)	(17)	773
CIFF Investments II Limited ("CIFF II")	England & Wales	100**	(10)	15,707	n/a
CIFF Investments III LLP ("CIFF III")	England & Wales	100**	(11)	4,713	n/a
CIFF General Partner Limited ("CIFF GP")	England & Wales	100	(12)	-	n/a
CIFF Water Limited ("CIFF Water")	England & Wales	100	(13)	(15)	n/a
86th Street Lender LLP ("86th LLP")	England & Wales	100**	(14)	1,070	n/a
11th Avenue Lender LLP ("11th LLP")	England & Wales	100**	(15)	(461)	n/a

- * In liquidation
- ** Indirect holdings
- *** Economic entitlement only

- (1) In April 2020, CIFF Trading resigned from CIFF Inv and transferred its interest in CIFF Inv to CIFF II. CIFF Trading is now dormant.
- (2) CIFF Newco was a holding company for certain CIFF UK investment but is now dormant.
- (3) Talos (company number: 464778) held an underlying investment portfolio that was managed to provide the Foundation with investment return. At 31 December 2020, its total assets amounted to US\$17,674k (2019: US\$5,937,535k), total liabilities amounted to US\$17,658k (2019: US\$5,937,523k), and net assets amounted to US\$16k (2019: US\$12k). During the financial year, the investment portfolio held by Talos was transferred to CIFF Capital (refer to Note 1(d) and Note 13(c)).
- (4) TPL's principal activity is to act as the parent of a wholly owned subsidiary TPL. In November 2020, it was placed into voluntary liquidation and in December 2020, the voluntary liquidator has been appointed. As of 31 December 2020, the liquidation is ongoing.
- (5) TPL owned and sold its UK investment property portfolio in 2019. In November 2020, it was placed into members voluntary liquidation and in December 2020, the voluntary liquidator has been appointed. As of 31 December 2020, the liquidation is ongoing.
- (6) CIFF Nutrition was established to promote ready-to-use Therapeutic Foods in developing countries in furtherance of the Foundation's charitable activities. CIFF Nutrition is now dormant.
- (7) CIFF Capital (company number LP019223) was formed by limited partnership deed between the Foundation, TCI General Partner Limited and TCI Fund Management Limited. It has been established to hold investment assets for the Foundation. In 2020, CIFF GP replaced TCI General Partner Limited as general partner. CIFF Capital at all times acts through CIFF GP. Between May 2020 and October 2020, it acquired all economic interests in the Foundation's endowment investment portfolio, previously held by Talos, to provide the Foundation with investment return. At 31 December 2020, its total assets amounted to US\$6,140,368k, total liabilities amounted to US\$5,590,785k and net assets amounted to US\$549,583k.
- (8) CIFF Inv is a limited liability partnership between CIFF Capital and CIFF II that hold certain assets from the investment portfolio. In May 2020, the participating membership in CIFF Inv was transferred by Talos to CIFF Capital and, in April 2020, the non-participating membership in CIFF Inv was transferred by CIFF Trading to CIFF II.
- (9) CIFF IP holds licenses to intellectual property rights in support of the charitable activities of the Foundation.
- (10) CIFF II holds certain assets from the investment portfolio. In May 2020, the entire issued share capital of CIFF II was transferred by Talos to CIFF Capital. CIFF Inv is also a non-participating member in CIFF Inv, CIFF III, 86th LLP and 11th LLP.
- (11) CIFF III was incorporated on 20 November 2019 by limited liability partnership deed between Talos and CIFF II to hold assets from the investment portfolio. CIFF III is a limited liability partnership between CIFF Capital and CIFF II to hold assets from the investment portfolio. In May 2020, the participating membership in CIFF III was transferred by Talos to CIFF Capital.
- (12) CIFF GP was incorporated on 19 March 2020 as a wholly owned limited company of the Foundation and in April 2020, became general partner of CIFF Capital.
- (13) CIFF Water Limited was incorporated on 18 June 2020 as a wholly owned subsidiary of the Foundation. The principal activity of CIFF Water is to purchase and lease assets to support charitable activities.
- (14) 86th LLP was incorporated on 3 September 2020 as a limited liability partnership between Talos and CIFF II and shortly thereafter acquired an interest in an endowment asset from Talos. In October 2020, the participating membership in 86th LLP was transferred by Talos to CIFF Capital.
- (15) 11th Avenue was incorporated on 7 December 2020 as a limited liability partnership between CIFF Capital and CIFF II and shortly thereafter acquired an interest in an endowment asset from CIFF Capital.

13 (b) Programme Related Investments

The Foundation classified these investments as a Programme related investments ("PRI"), as the primary motivation for making the investment is not financial, but to further the objects of the Foundation.

The Foundation invested US\$1.5 million (2019: US\$1.0 million) in programme related investment funds such as Global Health Investment Fund, Working Capital GP, LLP and Astraia Inc. These investments support the charitable objectives of the Foundation. The Foundation committed US\$23.8 million, of which US\$1.0 million (2019: US\$2.3 million) remains outstanding to be drawn down as at 31 December 2020.

In 2020, the Foundation committed to loan US\$9 million to Marie Stopes International ("MSI") to cover a temporary funding gap for a project related to women's sexual health which is aligned to the charitable objectives of the Foundation. The total loan to MSI is contracted at 0% interest rate, and US\$1m remains outstanding to be drawn as at 31 December 2020. The loan will be repaid during 2021. There is no accrued interest and impairment recorded as at 31 December 2020.

Refer to Note 22 for further details on the Foundation's commitments.

13 (c) Variable Rate Notes

During the year, the Foundation transferred all of its interest in the Notes to CIFF Capital in settlement of its obligation to fund a drawdown. Talos, as the issuer of the Notes, settled the interest that has accrued and any additional prepayment of principal by way of an in specie transfer to CIFF Capital. Talos will continue to honor its obligations in relation to drawing down requisite funds from CIFF Capital and will not be legally released from its obligations until the Notes are fully paid.

13 (d) Mixed Motive Investments

The Foundation classified these investments as a Mixed Motive Investments ("MMI"), as the investments furthers CIFF's charitable aims as well as anticipate financial returns. In accordance with CC14 (Charities and investment matters: a guide for trustees), the Foundation considered the level of private benefit to third parties created by investing to be reasonable and appropriate.

The Foundation invested US\$10.7 million (2019: US\$3.4 million) towards Mixed motive investments in funds such as Adjuvant Global Health Technology Fund, LP, Clean Energy Venture Fund, South East Asia Energy Ventures and Acumen Resilient Agriculture Fund.

The Foundation invests in early-stage companies that have the potential and the high-level ability to address global health challenges along with climate and food and nutrition issues which are consistent with the charity's objectives. The Foundation committed US\$32.0 million towards mixed motive investments, of which \$18.6 million (2019: US\$21.3 million) remains outstanding to be drawdown as at 31 December 2020.

Refer to Note 22 for further details on the Foundation's commitments.

13 (e) Unquoted Investments

As at 31 December 2020, unquoted investments of US\$52.2 million (2019: US\$65.3 million) included US\$43.9 million (2019: US\$43.9 million) in an investment fund investing in development properties in India. The properties are being constructed for sale.

Where the underlying assets are under construction, the fair value of the investment cannot be reliably determined, the directors are required to make their best estimate of the fair value. Where sufficient progress has been made such that a readily ascertainable market value can be obtained for the underlying assets, the investment fund is valued at fair value using third party valuations prepared by independent experts CBRE South Asia Pvt. Ltd. Fair value is determined using a combination of valuation methodologies, including comparable precedent transactions and discounted cash flows. Key sensitivities include timing of future cash flows and the discount rate used to determine the net present value of future cash flows.

Unquoted investments also comprised US\$8.3 million (2019: US\$21.4 million) of investments in underlying assets held with an unquoted investment fund. The investments are held at market value based on the valuation report supplied by the investment fund as at 31 December 2020 with any gains and losses being taken to the SOFA.

13 (f) Loans to subsidiary

Following the restructure of the Foundation subsidiaries in 2020 (see page 56) the Foundation loaned US\$5.49 billion (2019: Nil) to CIFF Capital. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of CIFF Capital.

14. KEY INVESTMENTS AND UNCERTAINTIES

For Investments in the Group held at fair value, the Group note there may be unobservable inputs in the valuation of these investments outlined below.

The following table presents additional information about valuation techniques and significant unobservable inputs used for unlisted assets and liabilities, which are measured at fair value, as at 31 December 2020 and as at 31 December 2019:

31 December 2020

Asset category	Valuation method	Fair value at 31 December 2020 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	2,489,244	Discount rate	7.12% to 20.74%	An increase in the discount rate would result in a lower fair value
Investment Funds	Discounted cash flow	57,575	Weighted Discount rate	18%	An increase in the discount rate would result in a lower fair value

31 December 2019

Asset category	Valuation method	Fair value at 31 December 2019 US\$ '000	Significant unobservable input	Range of estimated (weighted average) for unobservable input	Sensitivity to changes in significant unobservable input
Loans	Discounted cash flow	2,208,752	Discount rate	10% to 19%	An increase in the discount rate would result in a lower fair value
Investment Funds	Discounted cash flow	57,576	Weighted Discount rate	18%	An increase in the discount rate would result in a lower fair value

When determining fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. The valuation techniques used by the Group to determine the fair value are considered to be an income approach.

Income approach provides an estimation of the fair value of an investment based on expectations about the cash flows that the investment would generate over time. The Group used the yield calibration method to derive the discount rates of the loan investments. In applying the Yield calibration method, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the loan investment was involved in an arm's length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the investment was re-priced. In addition, inputs used under the yield calibration method include assessment of the credit spread of comparable securities and indices and changes in credit quality of the borrower as at 31 December 2020.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The Group believes that use of different methodologies or assumptions in determining the fair value of the above financial instruments would result to immaterial changes in fair value.

The Group's reporting systems and the nature of the instruments and the valuation models do not allow it to accurately analyse the total annual amounts of gains/losses that are attributable to observable and unobservable inputs.

15. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Group's investment programme seeks to maximise the returns derived for the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance (the "Investment Programme").

The Group has appointed an Investment Manager to provide investment management services in relation to the portfolio of investments it holds. These services, as part of the investment management agreement (the "Investment Management Agreement"), include monitoring and managing the risks associated with holding such investments through the application of the Investment Programme as agreed with the Foundation's Trustees.

The Group's Investment Programme seeks to diversify its investments across a range of asset classes, industry sectors, and counterparties, and also to limit the use of leverage and off balance sheet commitments.

All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss of capital on investments carried at amortised cost is the carrying value of those investments as well as any associated accrued interest receivable. On written call options, short positions on equity and debt sold short the maximum loss of capital can be unlimited. The maximum loss of capital on written put options, equity swaps and forward foreign exchange contracts is limited to the notional contract values of those positions. For loans and securities which incorporate a future commitment there is a risk of loss of capital in excess of the carrying amount of those positions on the Consolidated Balance Sheet. The Group may be obliged to settle these commitments at a time when the investment is impaired and therefore the maximum additional loss is the total amount of commitments as disclosed in Note 22.

The Group is exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Settlement risk is the risk that a counterparty does not deliver a security or its value in cash as agreed when the security was traded after the Group has already delivered security or cash as per the trade agreement. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the custodian or counterparty, in the event of its failure, any cash balances held by the Group are at risk of being lost and the ability of the Group to transfer securities might be temporarily impaired.

With respect to the privately placed loan agreements the Group is exposed to a wide variety of operational risks specific to such investments. These risks are mitigated by the engagement of industry experts, legal advisors and independent loan servicing agents during the pre-commitment due diligence process and throughout the life of the deal.

The Group invests in readily tradeable equity securities and forward foreign exchange contracts. These investments are generally traded in active secondary markets and the time taken to exit a position and the value received would depend upon factors including the size of the position relative to the total issue size, the daily average traded volume and the prevailing market trends of the period in which the trade is executed. The Group also invests in privately traded equity securities, bank debt and loans. The market for these types of investments is illiquid and secondary market transactions are infrequent. It is more difficult to predict the time and exit price of these type of investments.

The Group's activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. In accordance with the Investment Programme, the Investment Manager uses different methods to measure and manage the various types of risk to which the Group's investments are exposed; these methods are explained below.

Impact of Covid-19

In December 2019, a new novel coronavirus, SARS-CoV-2 was identified in Wuhan City, Hubei Province, China and was reported to the World Health Organization ("WHO") on 31 December 2019. The novel coronavirus was known as Covid-19 and was declared by WHO as a global pandemic.

The Trustees have assessed the impact of market conditions arising from the Covid-19 outbreak on the Group's ability to meet its investment objectives, and to operate within the investment and risk parameters that have been established.

The volatility of the financial markets could have a material impact on the performance of the Group, and in particular the uncertainty around fair value measurements.

The privately placed loan investments held by the Group are secured in most cases against physical assets including real estate and property. Due to the volatility in the financial markets, this may result in the amount lent under the loan being greater than the value of the secured assets, which would increase the probability of the loan becoming impaired or going into default. As part of the Group's impairment review policy, with the exception of 76 Eleventh Avenue and 151 East 86th Street (refer page 86 & 87), it has been determined that no indication of impairment of the assets used as security become apparent during the year.

Measures taken by governments to contain Covid-19 have also affected economic activity, which has resulted in many companies experiencing cashflow challenges arising from disruptions to their operations, higher operating costs or decrease in demand for their completed products which may trigger liquidity problems.

Whilst the Group has obtained certain guarantees from credit worthy affiliates of the borrower, and the relevant guarantors are also required to satisfy a minimum net worth and liquidity covenant, the repayment of the loans are dependent on the completion of sales of the underlying condominiums or the relevant property or a refinancing of the loan with another counterpart. Due to the restrictions put in place by governments to contain Covid-19, the number of sales transactions that could complete has been reduced and the availability of refinancing opportunities during the first half of 2020 was curtailed, however unit sales from certain of the projects have continued to pay down the relevant loans through 2020.

The Investment Manager conducts regular reviews of the loans and engages with the loan servicer to monitor progress, and may also seek expert third party opinions where required. The Trustees gain assurance from the Investment Manager through the regular review meetings, as well as the collateral assessments that are carried out on an annual basis.

Furthermore, the Group's policy is to manage price and credit risk through diversification and selection of securities and other financial instruments within specified limits set in the Investment Programme.

Market Risk

(a) Price risk

The Group is exposed to securities price risk and derivative price risk. This arises from investments held by the Group for which prices in the future are uncertain. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the US dollar, the price initially expressed in foreign currency and then converted into US dollar will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the directors of the General Partner of ClIFF Capital in the Investment Programme. The Investment Programme contains restrictions on overall market exposure (the "Exposure Policy"). The Exposure Policy regarding overall exposure states that market exposure shall not exceed 100% of the Reference NAV.

The use of the term "Reference NAV" within the risk management policies refers to the value of the net assets of the Group, excluding any obligations under the Delayed Drawdown Variable Rate Notes. The Investment Programme seeks to manage the Group's exposure to price risk by analysing the investment portfolio by industrial sector.

The table below is a summary of the sector exposures which are included in the Reference NAV for the purpose of monitoring the investment restrictions.

Sector	% of Reference NAV	
	31 December 2020	31 December 2019
Industrials	36.8%	32.3%
Real estate loans	32.2%	29.0%
Consumer discretionary	9.4%	7.4%
Corporate debt	8.8%	8.0%
Information technology	5.8%	6.0%
Other	5.5%	9.4%
	98.5%	92.1%

The paragraph below summarises the sensitivity of the Group's equity (the "Equity Investments") to equity price movements, derived by regressing the daily returns of the Group's Equity Investments against the daily returns of the MSCI World Equity Index including net dividends reinvested (the "Index") (Bloomberg ticker "NDDUWI"), and including the effect of movements in foreign currency exchange rates on equity prices, as at 31 December 2020 and 31 December 2019.

The analysis uses the arithmetic mean of the absolute one year moves of the Index aligned with the Group's financial year since the Group's inception as an estimate for the reasonably possible annual move in global equity prices. For 31 December 2020 this is 29.5% (2019: 10.3%). This represents the best estimate of a reasonable possible shift in the Index over a period of one year, having regard to the historical volatility of the index. As at 31 December 2020, the exposure of the Group to Equity Investments was US\$3,372,112k (2019: US\$3,157,348k).

In 2020, the beta of the Group's Equity Investments against movements in the Index was 0.84 (2019: 0.33). The figures below give an estimation of a reasonable possible change in the fair value of the Group's Equity Investments over the period of one year, using the beta value stated above.

	2020 US\$ '000	2019 US\$ '000
Predicted effect on the Group's Equity Investments of an increase in the index	831,599	131,695
Predicted effect on the Group's Equity Investments of a decrease in the index	(831,599)	(131,695)

The Index has been used as the reference point in determining the effect of price risk only. The Investment Manager does not manage the Group's investment strategy to track this index or any other index or external benchmark. The sensitivity analysis presented is based upon the Equity Investments composition as at 31 December 2020 and 31 December 2019 and the historical correlation of the returns from the securities comprising the Equity Investments to the Index returns. The composition of the Group's Equity Investments, and the correlation thereof to the Index, is expected to change over time. The sensitivity analysis prepared as at 31 December 2020 and 31 December 2019 is not necessarily indicative of the effect on the Group's investments of future movements in the level of the Index.

(b) Foreign currency risk

The Group operates internationally and holds both monetary and non-monetary assets denominated in currencies other than its functional currency, the US dollar. Foreign currency risk as defined, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The table below shows the concentration of assets and liabilities denominated in currencies other than the US dollar at 31 December 2020 and 2019 and has been analysed between monetary and non-monetary items.

31 December 2020				
Currency	Monetary US\$ '000	Non Monetary US\$ '000	Currency forward US\$ '000	Net exposure US\$ '000
Australian Dollar	-	-	(5,052)	(5,052)
Canadian Dollar	597	530,851	(451,624)	79,824
Chinese Remnibi	84	-	-	84
Euro	382,486	1,530,734	(1,477,971)	435,249
Indian Rupee	268	-	-	268
Japanese Yen	-	-	(1,568)	(1,568)
Kenyan Shilling	133	-	-	133
Pound Sterling	816,563	-	(989,769)	(173,206)
Swiss Franc	340	-	-	340
31 December 2019				
Currency	Monetary US\$ '000	Non Monetary US\$ '000	Currency forward US\$ '000	Net exposure US\$ '000
Australian Dollar	1,209	78,580	(81,840)	(2,051)
Canadian Dollar	(7,285)	389,465	(391,644)	(9,464)
Euro	315,354	1,408,913	(1,313,916)	410,351
Indian Rupee	87	-	-	87
Japanese Yen	-	-	(3,542)	(3,542)
Pound Sterling	686,608	-	(874,826)	(188,218)
Swiss Franc	311	-	-	311

The following table shows the 260 day historical volatility rates between the US dollar and a range of currencies. These rates provide a best estimate of a potential move in the exchange rate over a period of 12 months as at the statement of financial position date.

	2020	2019
Historical volatility rates	%	%
Australian Dollar	12.30	6.89
Canadian Dollar	8.44	5.14
Chinese Renminbi	4.71	-
Euro	7.57	4.91
Indian Rupee	6.64	6.08
Japanese Yen	9.21	5.52
Kenyan Shilling	7.12	-
Pound Sterling	11.08	8.24
Swiss Franc	7.39	5.52

The following table summarises the amount of the increase/(decrease) in net assets arising from an increase/ (decrease) of the exchange rate in line with the above volatility rates, with all other variables held constant. The analysis below presents the changes in net assets for each currency in their absolute values.

	2020	2019
Change in net assets	US\$ '000	US\$ '000
Australian Dollar	(621)	(141)
Canadian Dollar	6,737	(486)
Chinese Renminbi	4	-
Euro	32,948	20,149
Indian Rupee	18	-
Japanese Yen	(144)	(196)
Kenyan Shilling	9	-
Pound Sterling	(19,191)	(15,509)
Swiss Franc	25	17

The objective of the Group's currency risk management policy is to allow the Group to retain its purchasing power and minimise the risk that its purchasing power is reduced as a result of foreign exchange rate fluctuations. The investment process focuses on fundamental and systematic factors. The Investment Manager monitors the currency risk on an ongoing basis and reports to the Finance, Audit and Investment Committee on a quarterly basis.

(c) Interest rate risk

The Group holds liquid, interest-bearing assets and liabilities such as cash and brokerage accounts, where changes in interest rates would change the amount of interest received or paid in relation to these balances.

The Group's investments in loans are carried at fair value. In determining fair value, the Group uses discounted cash flow techniques and recognises income at a rate based upon the effective interest rate of all expected cash flows over the life of the loan. For all loan investments, the discount rate used in the fair valuation model is calibrated against movements in market interest rates and changes in credit quality of the borrower.

The following table summarises the Group's exposure to interest rates. It includes the Groups asset and liabilities, categorised by the earlier of contractual re-pricing and maturity dates. The sensitivity analysis presented is based upon the composition of the Groups asset and liabilities at 31 December 2020 and 31 December 2019 and is not necessarily indicative of the effect on the Groups asset and liabilities of future movement in interest rates.

	< 3 months	3 months - 1 year	> 1 year	Non- interest rate sensitive	Non- interest bearing	Total
31 December 2020	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cash at bank and in hand	104,371	-	-	-	-	104,371
Cash pledged as collateral	95,016	-	-	-	-	95,016
Investment assets/(liabilities)	-	-	-	2,489,244	3,475,623	5,964,867

31 December 2019	< 3 months US\$ '000	3 months - 1 year US\$ '000	> 1 year US\$ '000	Non- interest rate sensitive US\$ '000	Non- interest bearing US\$ '000	Total US\$ '000
Cash at bank and in hand	555,515	-	-	-	-	555,515
Cash pledged as collateral	30,000	-	45,980	-	-	75,980
Investment assets/(liabilities)	-	-	-	2,208,753	3,274,371	5,483,124

Credit risk

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is also exposed to concentration risk and reviews the credit concentration of debt securities held based on counterparties and industries.

The Group's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Group's credit risks arise principally through exposures to corporate debt investments, loans, bank deposits, and derivative counterparties.

All of the loan investments held by the Group are secured in most cases against physical assets including real estate and property. The value of the security relating to a loan investment may become equal to or less than the value of the loan that it secures. Accordingly, in the event of a default the Group may incur a loss after all costs relating to obtaining and selling secured assets have been taken into account. Although the Group monitors the value of the secured assets on a periodic basis, as there is no active market for the positions, their risk is managed on an exposure basis, with not more than 55% of the Reference NAV to be drawn under loans classified as Real Estate Debt (as outlined in the Investment Management Agreement). Due to the illiquid nature of such loans and the variety of risks attached including property development and concentration risk, significant losses could arise.

Loans

At 31 December 2020, the Group held investments in loans valued at US\$2,489,243k (2019: US\$2,208,753). The key risk relating to each of these loans is the possibility that the borrower will not repay the interest and principal relating to the loan in full. To protect the Group against this possibility of default, security is sought from the borrower over assets worth more than the value of the loan outstanding. This security normally takes the form of prime real estate assets in developed markets. The Group monitors the value of the assets pledged as security by engaging independent experts to provide valuations on the assets on a periodic basis and considers metrics such as loan-to-value or loan-to-commitment ratio.

Through the assets against which the loans are secured, the Group has an indirect exposure to reductions in asset valuations as a result of a market crash or other tail events. This may result in the amount lent under a loan being greater than the value of the secured assets and increase the probability of the loans going into default.

The Group is also protected by covenants built into its loan agreements which require immediate repayment in the event that the borrower breaches certain covenants. These are agreed on a loan-by-loan basis at the origination of each deal and may include metrics such as loan-to-value ratio, interest cover and other performance based metrics. As of 31 December 2020, the borrowers under the two loans listed below were in material breach of their loan covenants (2019: none), resulting in multiple events of default having arisen, and certain enforcement action being taken.

The Group also seeks to obtain certain guarantees from credit worthy affiliates of the borrower. Guarantees for 'completion', 'carry' and 'recourse obligations' guarantee (i) the lien-free completion of the relevant project (or the payment of an equivalent amount to the lender to allow it to complete), (ii) the payment of carry costs until the earlier of loan repayment and completion (including interest and costs) and (iii) any losses incurred by the lender as a result of specified acts of the borrower or related parties. The relevant guarantors are usually required to satisfy a minimum net worth and liquidity covenant.

151 East 86th Street Loan ("86th Street Loan")

With respect to 86th Street Loan, the borrower failed to pay (i) a portion of the interest due on the loan in March 2020, and (ii) the interest due on the loan from April 2020 up to the date hereof and the loan is therefore in default. The Investment Manager took the decision, with effect from December 1, 2020, to cease to accrue interest on the loan while the exit strategy is being determined.

Certain enforcement action has been taken as a result of the multiple events of default.

76 Eleventh Avenue Loan ("11th Avenue Loan")

With respect to the 11th Avenue Loan, a potential budget deficiency was identified in August 2019 and the sponsor sought to raise additional equity. Funding of loan advances continued but a reservation of rights notice was provided to the borrower, reserving the right to stop funding and call an event of default. By March 2020, the 11th Avenue Loan had been almost fully funded and the budget deficiency had increased as a result of increased costs. The sponsor continued to try to raise additional equity but without success. During November 2020, the Investment Manager decided to stop recognising any further accrued income on the loan and updated the Net Present Value ("NPV") of the loan for the additional funding necessary to complete the project which on an NPV basis resulted in a write-down of the loan investment.

Certain enforcement action has now been taken as a result of multiple events of default.

Counterparty credit risk

The Group is also exposed to counterparty credit risk through the trading of derivative products, cash and cash equivalents, cash pledged as collateral, amounts due from brokers and other receivable balances. One element of counterparty credit risk is the monitoring of the credit ratings of parties where all material amounts due from brokers, cash and short-term deposits are held by parties with a credit rating A1/A.

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2020:

Counterparty	Credit rating at 31 December 2020		Credit exposure 31 December 2020	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	A1	A+	196,316	3.16%
JP Morgan Chase	Aa2	A+	15,632	0.25%
UBS AG	Aa3	A+	146	-
Barclays Bank	A1	A	3,171	0.05%
ABSA Group Limited	Ba1	zaAA	133	-
Wells Fargo	Aa2	A+	5	-
Citco Bank Nederland NV	N/A	N/A	804	0.01%
			216,207	3.47%

Credit risk (continued)

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2019:

Counterparty	Credit rating at 31 December 2019		Credit exposure 31 December 2019	% of Assets
	(Moody's)	(S&P)	US\$ '000	
HSBC Bank Plc	Aa3	AA-	598,831	9.76%
JP Morgan Chase	Aa2	A+	25,816	0.42%
UBS AG	Aa3	A+	7	-
Barclays Bank	A2	A	167	-
ABSA Group Limited	Baa3	BBB-	50	-
Wells Fargo Bank N.A.	Aa2	A+	1	-
Citco Bank Nederland NV	n/a	n/a	285	-
			625,157	10.18%

Credit risk is also managed by a policy contained in the Investment Programme to maintain exposures to any one counterparty to less than 15% of its Reference NAV.

In the event of any breach of the above restrictions not remedied within 3 business days of the date of such breach, the Foundation management shall in their sole discretion determine the action and will seek to achieve, where practicable, a rectification of the breach within a reasonable timeframe and/or a commercial economic advantage.

In addition, the Group also restricts its exposure to credit losses on the trading derivative instruments it holds by including netting agreements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. These netting provisions do not result in an offset on the Consolidated Balance Sheet, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by netting to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

The Group's overall exposure to credit risk on derivative instruments subject to a netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the counterparty has received payment. Payment is made on a purchase once the securities have been received by the Group. The trade will fail if either party fails to meet its obligation.

The Group has appointed HSBC Bank plc ("HSBC") as custodian and prime broker and provider of other services (including financing) under the terms of the HSBC Prime Custody Agreement. HSBC will act as banker, custodian and prime broker of the cash and securities delivered to HSBC and will be responsible for receipt and disbursement of cash on behalf of the Group, for the receipt and safe custody and registration of securities of the Group and for the transfer of securities for the Group. The Group has both a custody and collateral account with HSBC. HSBC will also provide financing and securities lending to the Group pursuant to the HSBC Prime Custody Agreement. The collateral required to support any financing, securities lending or other exposure of HSBC to the Group will be held in the collateral account with HSBC in the name of the Group. At 31 December 2020, 94% (2019: 80%) of cash and cash pledged as collateral and investments were placed in custody with HSBC.

The Group has also appointed UBS as a prime broker and custodian. The prime brokerage agreement with UBS AG states that the counterparty has the right to utilise, re-hypothecate or otherwise appropriate the Group's assets subject to a limit equal to 100% of the indebtedness of the Group to the counterparty. The agreement also includes a net settlement provision in the event of an end to the prime brokerage agreement.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Group is exposed to the daily settlement of margin calls on derivatives, settlement of funding requests on loans with an unfunded commitment (see Note 2(f) accounting policy on "Unfunded Commitments" for further details), Note repayment requests and the annual payment of interest due to the Noteholders.

The Investment Manager monitors the Group's liquidity position on a daily basis, and in accordance with agreed risk framework reports to the Group on a monthly basis. The liquidity report has been designed to confirm that the Group has sufficient resources to cover projected outflows in a stress scenario given preset liquidity haircuts for each asset class.

As part of the management of liquidity risk, the Investment Programme prescribes a limit to the amount of unfunded commitments as a certain percentage of its Reference NAV.

The Group's main sources of liquidity are listed equity securities, actively traded corporate debt and cash deposits. The asset class investment restrictions ensure a proportion of the Group's assets are invested in these types of assets, which can be readily disposed. The Group also has the ability to meet Note repayments obligations by an in specie delivery of a Noteholder's pro rata share of the investments in the portfolio at the redemption date.

The Group may also invest in derivative contracts that are traded over-the-counter, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Group may not be able to quickly liquidate these investments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The below tables analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the maturity date.

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
31 December 2020						
Creditors: amounts falling due within one year	101,850	2,557	60,950	-	-	165,357
Creditors: amounts falling due in more than one year	-	-	-	34,458	-	34,458
Total liabilities	101,850	2,557	60,950	34,458	-	199,815
31 December 2019						
Creditors: amounts falling due within one year	214,401	71	12,204	-	-	226,676
Creditors: amounts falling due in more than one year	-	-	-	45,980	-	45,980
Total liabilities	214,401	71	12,204	45,980	-	272,656

Uncertain liabilities, which are not recognised on the Balance Sheet, are not included in the table above for the purpose of analysing the Foundation liquidity risk.

Uncertain liabilities

As disclosed in note 13, the Group has invested in loans and securities which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2020 have been estimated as US\$1,026,307k (2019: US\$1,460,955k).

16. DEBTORS

	Group 31 Dec 2020 US\$ '000	Group 31 Dec 2019 US\$ '000	Foundation 31 Dec 2020 US\$ '000	Foundation 31 Dec 2019 US\$ '000
Interest receivable	-	2,196	-	-
Dividends receivable	1,224	1,778	-	-
Amounts due from brokers	19,220	6,411	-	-
Other Debtors	11,869	7,741	2,543	223
Amounts due from related parties	-	-	33	23,722
Prepayments	758	563	743	552
Total	33,071	18,689	3,319	24,497

The debtor amounts due from brokers includes cash from forward foreign exchange contracts closed but awaiting settlement, cash from trades sold but which have not yet settled and interest receivable.

17. CASH AT BANK AND IN HAND

Cash at bank includes amounts due from the Group's custodian and other counterparties, on demand and interest bearing deposits with original maturities of less than 3 months.

Cash pledged as collateral includes collateral balances held at year end with the Group's custodian and prime broker and other counterparties. The use of these amounts is restricted based upon the Group's contractual margin exposures at the year end date.

The total of cash at bank and cash pledged as collateral is shown on the face of the Consolidated Balance Sheet and the movement reflected within the Consolidated Cash Flow Statement.

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2020:

Group	Cash and cash equivalents 31 Dec 2020 US\$ '000	Cash pledged as collateral 31 Dec 2020 US\$ '000	Cash at bank and in hand 31 Dec 2020 US\$ '000	Amounts due from brokers 31 Dec 2020 US\$ '000	Amounts due to brokers 31 Dec 2020 US\$ '000	Net counter- party position 31 Dec 2020 US\$ '000
Custodian and prime broker						
HSBC Bank Plc	84,480	95,016	179,496	19,220	(2,400)	196,316
Other counterparties						
JP Morgan Chase	15,632	-	15,632	-	-	15,632
UBS AG	146	-	146	-	-	146
Barclays Bank	3,171	-	3,171	-	-	3,171
ABSA Group Limited	133	-	133	-	-	133
Wells Fargo	5	-	5	-	-	5
Citco Bank Nederland NV	804	-	804	-	-	804
Total	104,371	95,016	199,387	19,220	(2,400)	216,207

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2019:

Group	Cash and cash equivalents 31 Dec 2019 US\$ '000	Cash pledged as collateral 31 Dec 2019 US\$ '000	Cash at bank and in hand 31 Dec 2019 US\$ '000	Amounts due from brokers 31 Dec 2019 US\$ '000	Amounts due to brokers 31 Dec 2019 US\$ '000	Net counter-party position 31 Dec 2019 US\$ '000
Custodian						
HSBC Bank Plc	529,189	75,980	605,169	6,411	(12,749)	598,831
Other counterparties						
JP Morgan Chase	125,816	-	25,816	-	-	25,816
UBS AG	7	-	7	-	-	7
Barclays Bank	167	-	167	-	-	167
ABSA Group Limited	50	-	50	-	-	50
Wells Fargo	1	-	1	-	-	1
Citco Bank Nederland NV	285	-	285	-	-	285
Total	555,515	75,980	631,495	6,411	(12,749)	625,157

The following table shows the breakdown of the cash and cash equivalents of the Foundation held with counterparties as at year end:

Foundation	Cash and cash equivalents 31 Dec 2020 US\$ '000	Cash and cash equivalents 31 Dec 2019 US\$ '000
HSBC Bank plc	37,006	21,096
JP Morgan Chase	15,632	25,132
ABSA Bank	133	50
Barclays Bank plc	3,171	167
	55,942	46,445

18. CREDITORS: amounts falling due within one year

	Group 31 Dec 2020 US\$ '000	Group 31 Dec 2019 US\$ '000	Foundation 31 Dec 2020 US\$ '000	Foundation 31 Dec 2019 US\$ '000
Amounts due to brokers	2,400	12,749	-	-
Grants	74,095	83,629	74,418	83,629
Creditors	28,203	106,210	1,213	1,001
Loans	-	-	110,000	-
Derivative financial instrument liabilities	52,800	13,510	-	-
Accruals and deferred income	7,560	10,413	7,532	7,290
Interest payable	-	57	-	-
Taxes and social security costs	299	108	299	71
	165,357	226,676	193,462	91,991

The amounts due to brokers include cash from trades purchased which have not yet settled and cash for forward foreign exchange contracts closed but awaiting settlement.

19. CREDITORS: amounts falling due after one year

	Group 31 Dec 2020 US\$ '000	Group 31 Dec 2019 US\$ '000	Foundation 31 Dec 2020 US\$ '000	Foundation 31 Dec 2019 US\$ '000
Creditors payable between 1 and 2 years	34,458	45,980	-	-
Creditors payable between 2 and 5 years	-	-	-	-
Creditors payable after 5 years	-	-	-	-
	34,458	45,980	-	-

20. MOVEMENT IN FUNDS

Funds were transferred from the Expendable Endowment Fund to the Designated Funds at the year end.

Group	Balance as at 31 Dec 2019 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2020 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	60,615	(371,016)	-	(1,197)	-	311,598	-
Designated funds	657,971	-	-	-	-	-	(15,392)	642,579
Restricted income funds	-	18,561	(11,850)	-	-	-	-	6,711
Expendable endowment fund	5,204,018	17,496	-	430,914	-	-	(296,206)	5,356,222
Total funds	5,861,989	96,672	(382,866)	430,914	(1,197)	-	-	6,005,512

Group	Balance as at 31 Dec 2018 US\$ '000	Incoming resources US\$ '000	Resources expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2019 US\$ '000
Unrestricted: ⁽¹⁾								
Income funds	-	-	(383,567)	-	496	-	383,071	-
Designated funds	569,769	-	-	-	-	-	88,202	657,971
Restricted income funds	-	3,740	(3,740)	-	-	-	-	-
Expendable endowment fund	4,558,307	102,366	-	1,013,306	-	1,312	(471,273)	5,204,018
Total funds	5,128,076	106,106	(387,307)	1,013,306	496	1,312	-	5,861,989

⁽¹⁾ Reserves retained by subsidiary undertakings and general unrestricted funds are disclosed in total in the tables above and total US\$169,323k (2019: US\$192,970k).

Foundation	Balance as at 31 Dec 2019 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2020 US\$ '000
Unrestricted							
Income funds	-	57,372	(351,484)	-	(1,191)	295,303	-
Designated funds	657,971	-	-	-	-	(15,392)	642,579
Restricted income funds	-	18,561	(18,561)	-	-	-	-
Expendable endowment fund	5,208,893	-	-	432,408	-	(279,911)	5,361,390
Total funds	5,866,864	75,933	(370,045)	432,408	(1,191)	-	6,003,969

Foundation	Balance as at 31 Dec 2018 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2019 US\$ '000
Unrestricted							
Income funds	-	65	(267,071)	-	(397)	267,403	-
Designated funds	569,769	-	-	-	-	88,202	657,971
Restricted income funds	-	27,462	(27,462)	-	-	-	-
Expendable endowment fund	4,552,563	-	-	1,011,935	-	(355,605)	5,208,893
Total funds	5,122,332	27,527	(294,533)	1,011,935	(397)	-	5,866,864

As at 31 December 2020, the Trustees have allocated US\$642,579k (2019: US\$657,971k) of reserves as designated funds which represents funds that may be called upon to be disbursed to multi-year programmes.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Expendable Endowment US\$ '000	Unrestricted Funds- Designated US\$ '000	Restricted Funds US\$ '000	Total 31 Dec 2020 US\$ '000	Total 31 Dec 2019 US\$ '000
Tangible assets	-	1,030	6,472	7,502	837
Intangible assets	-	500	-	500	500
Investments	5,189,617	775,250	-	5,964,867	5,483,124
Other assets	172,958	59,261	239	232,458	650,184
Liabilities	(6,353)	(193,462)	-	(199,815)	(272,656)
	5,356,222	642,579	6,711	6,005,512	5,861,989

22. COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2020, the Group had outstanding commitments of US\$19,435k (2019: US\$23,754k) in relation to the unquoted investments held within the investment portfolio.

The Group has invested in loans and securities which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2020 have been estimated as US\$1,026,307k (2019: US\$1,460,955k).

Charitable grant funding of \$360m to the Big Win Philanthropy (UK) was contingent on specific conditions and covenants which were not met as at the 31 December 2020, therefore not included within grant liabilities. Further details are provided within post balance sheet events (refer to Note 26) and the recent development section of the strategic report (page 45).

23. OPERATING LEASES

The total rent charged as an expense in the SOFA, is disclosed below:

	Group Year ended 31 Dec 2020 US\$ '000	Group Year ended 31 Dec 2019 US\$ '000	Foundation Year ended 31 Dec 2020 US\$ '000	Foundation Year ended 31 Dec 2019 US\$ '000
Rent	1,688	1,388	1,688	1,388

The Group had commitments to future minimum lease payments under non cancellable operating leases at the year end as follows:

	Group 31 Dec 2020 US\$ '000	Group 31 Dec 2019 US\$ '000	Foundation 31 Dec 2020 US\$ '000	Foundation 31 Dec 2019 US\$ '000
Land and Building				
Less than one year ⁽¹⁾	1,363	1,350	1,357	1,350
Between one and five years	3,503	3,974	3,486	3,974
More than five years	1,207	1,922	1,207	1,922
	6,073	7,246	6,050	7,246

⁽¹⁾ Includes a commitment under an operating lease with TCI Fund Management (UK) Limited to pay rentals during the period following the period of these accounts of US\$762k (2019: US\$335k).

24. RELATED PARTIES

Investment Manager

TCI Fund Management Limited (TCI FM) acts as investment manager to certain members of the Group. TCI FM, and its various group entities, are ultimately controlled by Sir Christopher Hohn, a member and trustee of CIFF.

During 2020, the subsidiaries and investment holdings within the Group were restructured, resulting in changes to the investment management agreements with TCI FM. TCI FM is no longer entitled any fee for these investment management services. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to TCI FM and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital UK LP, which acts as the new main investment holding company of the CIFF Group.

Prior to October 2020, on an annual basis, the Foundation sought the approval of the Charity Commission in respect of any benefits accruing to Sir Christopher Hohn from the investment management relationship as being in the best interests of the Foundation. The most recent approval was valid until 31 October 2020. Following the restructure, the Charity Commission confirmed that its engagement in respect of CIFF's investment management arrangements had concluded. Going forward, following external legal advice, CIFF will no longer seek the Charity Commission's authorisation for its investment management arrangements with TCI FM.

Prior to the restructure, entities within the Group were charged US\$1,807k (2019: US\$85,603k) by TCI FM in respect of fees for the management services in relation to its investment portfolio of which US\$1,807k (2019: US\$60,615k) was charged for TCI FM's own account and US\$Nil (2019: US\$24,988k) was charged for fees TCI FM pays for sub-contracted investment management services. US\$Nil remained

outstanding as at 31 December 2020 (2019: US\$58,008k) for fees charged to TCI FM's own account and US\$Nil remained outstanding as at 31 December 2020 (2019: \$48,848k) for fees TCI FM pays for sub-contracted investment management services.

During 2020, an amount of US\$842k (2019: US\$890k) was charged to entities within the Group from TCI FM, in relation to expenses incurred by TCI FM on behalf of the CIFF Group investment portfolio, mainly consisting of research fees incurred by TCI FM for the benefit of CIFF with third parties, of which US\$32k remained payable as at 31 December 2020 (2019: US\$nil).

Furthermore, for the year ended 31 December 2020 CIFF was also charged US\$883k (2019: US\$547k) by TCI's holding company, TCI Fund Management (UK) Limited, in respect of rent and associated property costs.

Donations

During 2020, TCI FM made an unrestricted donation to CIFF of US\$60,615k (2019: US\$Nil) and restricted donations of US\$10,711k in 2020 (2019: US\$Nil) to support the charitable activities of the Foundation. As at 31 December 2020, TCI FM had committed additional restricted funding of US\$3,139k (2019: US\$Nil) to be paid in future years.

Sir Christopher Hohn is also the founder and trustee of the Christopher Hohn Foundation (UK) which during 2020 made restricted donations to the Foundation of US\$7,850k (2019: US\$3,700k). As at 31 December 2020, the Christopher Hohn Foundation (UK) had committed additional restricted funding of US\$10,910k (2019: US\$18,800k) to be paid in future years.

Subsidiary director fees

During the year, directors' fees of US\$31k (2019: US\$29k) for Jackie Gilroy were charged to Talos, and fees of US\$18k (2019: nil) for Jackie Gilroy, Sonia Gogna and Tristan van der Vijver were charged to CIFF GP. No other directors of CIFF subsidiaries were entitled to fees.

Common trustees

In the normal course of charitable granting, there can be instances where the grants to charities that have trustees in common with the Foundation. The Foundation does not disclose grants to these charities as related party transactions, as the trustees are part of a collective of non-related trustees and are not considered to be in a significant position of influence. The Trustees are satisfied that appropriate procedures are in place to ensure that any potential conflicts of interest are appropriately managed and avoided.

Other transactions with Group companies

The Foundation has taken advantage of the exemption contained in FRS 102, paragraph 33A, not to disclose other transactions with group companies as all are wholly owned subsidiaries of the Foundation and the consolidated financial statements are publicly available. Copies can be requested from the company secretary.

25. SERVICE PROVIDERS

Administrator

Group entities have entered into administration agreements with the Administrator, Citco Fund Services (Ireland) Limited. The Administrator receives from Group entities a monthly administration fee which is calculated as a percentage of Adjusted Assets on a sliding scale. The total administration fee for the year was US\$2,010k (2019: US\$1,734k), of which US\$397k (2019: US\$156k) was payable at year end.

Custodian and Prime Broker

The Group has a custody agreement with HSBC. The Group retains beneficial ownership of assets held by HSBC. Cash and securities deposited with HSBC are repayable on demand. In addition, the Group's cash held with HSBC will be segregated from HSBC's own cash. HSBC is not permitted to utilise, re-hypothecate or otherwise appropriate the assets of the Group, however HSBC will acquire a security interest in any assets that are provided as collateral to HSBC by the Group.

Intermediary

Following the restructure of the Group, certain performance fees in relation to legacy real estate assets payable by Talos to TCI FM, but due from TCI FM to its sub-contracted third party appointed representative, AVE Capital Limited (AVE), were transferred to be directly between CIFF Capital and AVE.

The performance fee arrangements with AVE were superseded by an intermediary services agreement between CIFF Capital and AVE relating to all legacy, existing and any new real estate assets. None of TCI FM, Sir Christopher Hohn or any other parties related to them have any financial interest in AVE. AVE was engaged to provide intermediary services in relation to bringing together CIFF Capital and other CIFF subsidiaries, as the lending party, with third parties, as the borrowing parties, in potential real estate debt transactions pursuant to the terms of an intermediary services agreement signed in October 2020. Group entities pay fees to AVE Capital Limited in relation to the intermediary services (the Intermediation Fee). The total Intermediation Fee charged to the Consolidated Statement of Financial Activities for the period was US\$96k (2019: US\$1,242k), with US\$40,664k payable as at 31 December 2020 (2019: US\$1,242k) mainly consisting of the fees originally payable from TCI FM to AVE which were transferred during the year.

Investment Manager

TCI FM is no longer paid any fee for investment management services to CIFF Capital. Further, TCI FM, for itself and on behalf of Sir Christopher Hohn and other parties related to the Investment Manager and Sir Christopher Hohn, unilaterally waived the right to receive any kind of benefit (whether financial or non-financial but in each case having a monetary value) in respect of the provision of investment management services to CIFF Capital.

(a) Non-Real Estate Performance Fee

Following the restructure of the Group in May 2020, there is no longer a requirement to pay a performance fee to TCI FM in relation to non-real estate investment performance.

Talos previously paid TCI FM a performance fee above a specified hurdle rate equal to 10% of the net realised and unrealised appreciation of the Adjusted Net Asset Value of the Group's investments in Talos during the Hurdle Rate Period.

The total non-real estate performance fee for the year was US\$Nil (2019: US\$57,815k), of which US\$Nil (2019: US\$57,815k) was payable at year end.

(b) Real Estate Performance Fee

Following the restructure of the Group in October 2020, there is no longer a requirement to pay a performance fee to TCI FM in relation to real estate investment performance.

Entities within the Group previously paid TCI FM upon realisation of real estates loans, a performance fee of up to 7% of realised profit, based on the performance of pools of loans. The total real estate performance fee for the year was US\$Nil (2019: US\$24,988k), of which US\$Nil (2019: US\$48,848k) was payable at year end. TCI FM was obligated to pay the entirety of the Real Estate Performance Fee to its sub-contracted third party appointed representative, AVE Capital Limited (AVE). None of TCI FM, Sir Christopher Hohn or any other parties related to them have any financial interest in AVE.

(c) Real Estate Management Fee

Following the restructure of the Group in October 2020, there is no longer a requirement to pay a real estate management fee to TCI FM.

Entities within the Group previously paid TCI FM, monthly in arrears, a Real Estate Management Fee for managing a portfolio of Real Estate Loans. The total Real Estate Management Fee for the year was US\$1,807k (US\$2,800k), of which US\$Nil (2019: US\$193k) was payable at year end.

26. POST BALANCE SHEET EVENTS

On 19 January 2021 all conditions and covenants were met for a grant to Big Win Philanthropy (UK) (BWP) of \$360m scheduled to be paid in equal quarterly instalments over five years from January 2021 to October 2025. The grant has been treated as a non-adjusting event within the financial statements due to the covenant conditions not being met as at the reporting date. The Trustees are satisfied that the grant will not impact the ability of the Foundation to continue as a going concern. Further details of the grant are presented within the recent developments section of the strategic report, Page 45.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is The Children's Investment Fund Foundation (UK), a charitable company limited by guarantee (without a share capital) incorporated in England and Wales. Pursuant to article 7 of the Foundation's Articles of Association, every member promises that if the charitable company is dissolved while he, she or it remains a member or within 12 months afterwards, to pay up to one pound sterling towards the costs of dissolution and the liabilities incurred by the charitable company while the contributor was a member.

The Foundation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of the Foundation is available from the Company Secretary at 7 Clifford Street, London, W1S 2FT.

The Children's Investment Fund Foundation (UK)

Group information for the year ended 31 December 2020

CONSTITUTION A Company limited by guarantee and an English registered charity governed by its Memorandum and Articles of Association

COMPANY NUMBER 4370006

REGISTERED CHARITY NUMBER 1091043

TRUSTEES Ms Jamie Cooper (recused and resigned on 22 December 2020)
Sir Christopher Hohn
Dr Graeme Sweeney (resigned 13 May 2021)
Mr Ben Goldsmith
Mr Masroor Siddiqui
Ms Ana Weichers Marshall (appointed 30 September 2020)
Dr Marko Lehtimäki (appointed 13 May 2021)

REGISTERED OFFICE 7 Clifford Street
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COMPANY SECRETARY Cargil Management Services Limited (resigned 10 February 2021)
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Bradley Duncan (appointed 10 February 2021)
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INVESTMENT MANAGER TCI Fund Management Limited
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CIFF

CHILDREN'S
INVESTMENT FUND
FOUNDATION

