

Company Registered Number: 6409511

CIFF (UK) NEWCO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012



CIFF (UK) NEWCO LIMITED

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**CIFF (UK) NEWCO LIMITED
COMPANY INFORMATION**

DIRECTORS Ms Jamie Cooper-Hohn
Mr Sean Carney (resigned 7 December 2012)
Mr Christopher Sheasby (appointed 7 December 2012)

COMPANY SECRETARY Mr Edward Collier (appointed 7 December 2012)
Mr William Reeves (resigned 1 February 2011)

COMPANY NUMBER 6409511

REGISTERED OFFICE 7 Clifford Street
London
United Kingdom
W1S 2FT

**INDEPENDENT
AUDITORS** PricewaterhouseCoopers LLP
7 More London
Riverside
London
SE1 2RT

SOLICITORS Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

CIFF (UK) NEWCO LIMITED (No 6409511)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2012

The Directors present their report and audited financial statements for the year ended 31 August 2012 which has been prepared in accordance with Companies Act 2006

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of CIFF (UK) Newco Limited (the "Company") is to be a member of CIFF (UK) LLP, which is a UK limited liability partnership holding a single underlying investment

The directors are of the opinion that the investment portfolio held by the Company is performing as expected for assets of this type. The loss before taxation in the year to 31 August 2012 was £725k (2011 £387k loss)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the strategy is subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to the performance of CIFF (UK) LLP, through which the company makes investments

KEY PERFORMANCE INDICATORS ("KPIs")

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

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were, except where otherwise stated

Ms Jamie Cooper-Hohn

Mr Sean Carney (resigned 7 December 2012)

Mr Christopher Sheasby (appointed 7 December 2012)

CHARITABLE DONATIONS

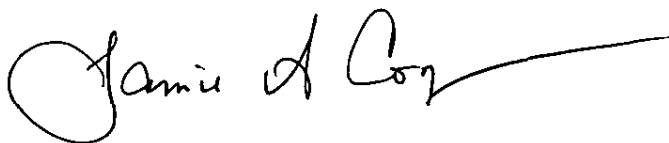
During the year, the Company made no charitable donations (2011 none) under the Gift Aid Scheme to The Children's Investment Fund Foundation (UK) ("CIFF UK")

GOING CONCERN

Although Newco Limited generates annual losses and is in a net liability position, the Directors believe the company to be a going concern and have prepared the financial statements on this basis. The Directors believe this basis to be applicable as the management of CIFF (UK) LLP declared on 15 May 2013 their intention to distribute a profit share to CIFF (UK) Newco Limited of £2,745k in relation to available profits for the financial years ended 31 August 2009, 31 August 2010 and 31 August 2011. The profit share was paid to the Company on 17 May 2013. The Directors believe that they have sufficient cash reserves to meet the obligations of the Company as they fall due within the next 12 months.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006

On behalf of the Board



Jamie Cooper-Hohn

Director

Date 22 May 2013

CIFF (UK) NEWCO LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Directors confirm that at the time when the report was approved, the following applies:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

We have audited the financial statements of CIFF (UK) Newco Limited for the year ended 31 August 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the matter prescribed by the Companies Act 2006

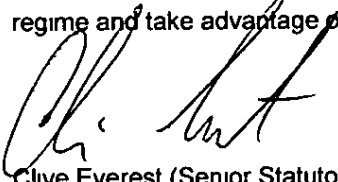
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report



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

23 May 2013

CIFF (UK) NEWCO LIMITED (No 6409511)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	2012	2011
		£'000	£'000
TURNOVER		-	-
Administrative expenses		(15)	(12)
OPERATING LOSS	2	<u>(15)</u>	<u>(12)</u>
Gift Aid Payment to CIFF (UK)		-	-
Interest payable and similar charges		(710)	(442)
Interest receivable and similar income		-	67
Loss on ordinary activities before taxation		<u>(725)</u>	<u>(387)</u>
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	9	<u>(725)</u>	<u>(387)</u>

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

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss for the year and its historical cost equivalents

The notes on pages 8 to 11 form part of these financial statements

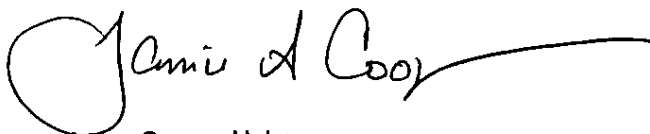
CIFF (UK) NEWCO LIMITED (No 6409511)
BALANCE SHEET
AS AT 31 AUGUST 2012

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	4	6,347	6,197
CURRENT ASSETS			
Debtors	5	21	5,030
Cash at bank		5,382	0
CURRENT LIABILITIES			
CREDITORS Amounts falling due within one year	6	(5,443)	(38)
NET CURRENT (LIABILITIES)/ASSETS		<u>(40)</u>	<u>4,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,307</u>	<u>11,189</u>
CREDITORS amounts falling due after more than one year	7	(8,576)	(12,733)
NET LIABILITIES		<u>(2,269)</u>	<u>(1,544)</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account	9	(2,269)	(1,544)
TOTAL SHAREHOLDERS' DEFICIT		<u>(2,269)</u>	<u>(1,544)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006

The notes on pages 8 to 11 form part of these financial statements

The financial statements on pages 6 to 11 were approved and authorised for issue by the Board on and signed on its behalf by



Jamie Cooper-Hohn
Director

Date: 22 May 2013

CIFF (UK) NEWCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historic cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of accounting policies is set out below and these have been applied consistently. The company is a wholly-owned subsidiary of The Children's Investment Fund Foundation (UK) and is included in the consolidated financial statements of The Children's Investment Fund Foundation (UK) which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements incorporating its subsidiary CIFF UK LLP under the terms of section 400 of the Companies Act 2006.

b) Turnover

Turnover represents the Company's share of the partnership profits from CIFF (UK) LLP. The partnership profits are recognised on an accruals basis.

c) Expenditure

Expenditure is accounted for on an accruals basis gross of irrecoverable VAT. Constructive obligations 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.

d) Foreign currency translation

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

e) Investments

Investments are valued at cost less any diminution in value and adjusted for foreign exchange movements.

f) Going concern

The financial statements have been prepared on the going concern basis. The Directors believe the company to be a going concern as the management of CIFF (UK) LLP declared on 15 May 2013 their intention to distribute a profit share to CIFF (UK) Newco Limited of £2,745k in relation to available profits for the financial years ended 31 August 2009, 31 August 2010 and 31 August 2011. The profit share was paid to the Company on 17 May 2013. The Directors believe that they have sufficient cash reserves to meet the obligations of the Company as they fall due within the next 12 months.

g) Taxation

Taxation is recognised in the profit and loss account and is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Tax provisions are recognised where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. OPERATING LOSS

	2012	2011
	£'000	£'000
Operating loss is stated after charging/ (crediting)		
Loan interest	710	442
Foreign exchange losses/(gains)	0	(67)
Auditors' remuneration	10	8
Tax advice	5	4

The auditors fee, exclusive of VAT, paid to PricewaterhouseCoopers LLP, London was £6,500 (2011, £5,000). Additional fees, totalling £1,500 exclusive of VAT were also paid to PricewaterhouseCoopers LLP in relation to prior year activities. The remuneration for PricewaterhouseCoopers LLP in relation to non-audit fees was £4,750 (2011 £3,490).

CIFF (UK) NEWCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

3 TAX ON LOSS ON ORDINARY ACTIVITIES	2012	2011
	£'000	£'000
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(725)</u>	<u>(387)</u>
Loss on ordinary activities before taxation multiplied by standard rate of (UK) corporation tax of 25.2% (2011 26.0%)	(183)	(101)
Tax losses carried forward	<u>183</u>	<u>101</u>
Current tax charge	<u>-</u>	<u>-</u>
4 FIXED ASSET INVESTMENTS	2012	2011
	£'000	£'000
Balance as at 1 September	6,197	6,535
Additions	-	-
Unrealised gains/(losses) due to foreign exchange	150	(338)
Balance at 31 August	<u>6,347</u>	<u>6,197</u>
<i>The investments held by the Company consists of shareholdings in CIFF (UK) LLP, in which the Company is a corporate member. The Directors believe that the carrying value of the investment is supported by its underlying assets.</i>		
5. DEBTORS	2012	2011
	£'000	£'000
Amounts owed by parent undertaking CIFF (UK)	-	5,017
Amounts owed by subsidiary undertaking CIFF (UK) LLP	21	13
	<u>21</u>	<u>5,030</u>
6 CREDITORS amounts falling due within one year	2012	2011
	£'000	£'000
Amounts owed to subsidiary undertaking CIFF (UK) LLP	5,432	28
Accruals	11	10
	<u>5,443</u>	<u>38</u>
7 CREDITORS amounts falling due after more than one year	2012	2011
	£'000	£'000
Amounts owed to parent undertaking CIFF (UK)	8,576	7,716
Amounts owed to subsidiary undertaking CIFF (UK) LLP	-	5,017
	<u>8,576</u>	<u>12,733</u>

The loan of £8,576,000 (2011 £7,716,184) is repayable in full to CIFF (UK), together with all interest accrued but not paid thereon and all other amounts owing, upon demand by CIFF (UK). Interest accrues on the loan at 7% per annum. The loan is secured by a floating charge over the assets of the company.

CIFF (UK) NEWCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

8. CALLED UP SHARE CAPITAL	2012	2011
	£'000	£'000
Allotted		
1,000,000 (2011 1,000,000) Ordinary share of £1 each	<u>1,000</u>	<u>1,000</u>
	£	£
Called up and issued		
1 (2011 1) Ordinary share of £1 each	<u>1</u>	<u>1</u>
 9 PROFIT AND LOSS ACCOUNT		
	2012	2011
	£'000	£'000
Balance at 1 September	(1,544)	(1,157)
Loss for the financial year	<u>(725)</u>	<u>(387)</u>
Balance at 31 August	<u>(2,269)</u>	<u>(1,544)</u>
 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS DEFICIT	2012	2011
	£'000	£'000
Loss for the financial year	<u>(725)</u>	<u>(387)</u>
Net reduction in shareholders' deficit	(725)	(387)
Opening shareholders' deficit	<u>(1,544)</u>	<u>(1,157)</u>
Closing shareholders' deficit	<u>(2,269)</u>	<u>(1,544)</u>

11. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 August 2012, the Company had no outstanding commitments or contingent liabilities (2011 none)

12. EMPLOYEES

The Company has no employees during the year (2011 none) Staff are employed by The Children's Investment Fund Foundation (UK), and all related costs are borne by the parent company The Directors did not receive any emoluments in respect of their services to the Company (2011 nil)

13 CONTROL

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

The Children's Investment Fund Foundation (UK) is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 August 2012 The consolidated financial statements of The Children's Investment Fund Foundation (UK) can be obtained from 7 Clifford Street, London, W1S 2FT

**CIFF (UK) NEWCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012**

14. RELATED PARTY TRANSACTIONS

As at 31, August 2012, the Company had an outstanding loan balance with CIFF (UK), its parent company, of £6,347,131 (2011 £6,197,143) The interest to service the loan in the year to 31, August 2012 amounted to £709,609 (2011 £441,959) The amount of interest accrued on the loan balance as at 31, August 2012 was £2,228,650 (2011 £1,519,041)

As at 31, August 2012, the Company had an outstanding loan balance with CIFF (UK) LLP, its subsidiary company, of £5,431,519 (2011 £5,017,155)

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

15. CASH FLOW STATEMENT

As the Company is the subsidiary of a group whose parent produces a consolidated cash flow statement, it has taken advantage of the FRS1 exemption and has not prepared its own cash flow statement

16. POST BALANCE SHEET EVENTS

On 17 May 2013, CIFF (UK) Newco Limited received a profit share of £2,745k from CIFF (UK) LLP in respect of available profits for the years ended 31 August 2009, 31 August 2010, 31 August 2011