Annual Report 2020

Children's Investment Fund Foundation (CIFF UK)

Photo courtesy of IPE Global featuring school girls enrolled in the Udaan programme based in Rajasthan

Contents

CIFF

THE CHILDREN'S INVESTMENT FUND FOUNDATION (CIFF UK) ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020
The Children's Investment Fund Foundation (UK) (CIFF) Company number: 4370006 | Charity number: 1091043
Website: ciff.org | Email: info@ciff.org

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 Lehtimaki 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 challenges and it is our privilege to support and work along side inspiring organisations and leaders in civil society.

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 13,000 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 $347m

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.

2 $344m

Grant Disbursement

CIFF disbursed grants of $344 million in 2020. Grant disbursements increased in 2020 by $75 million compared to 2019.

3 9%

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.

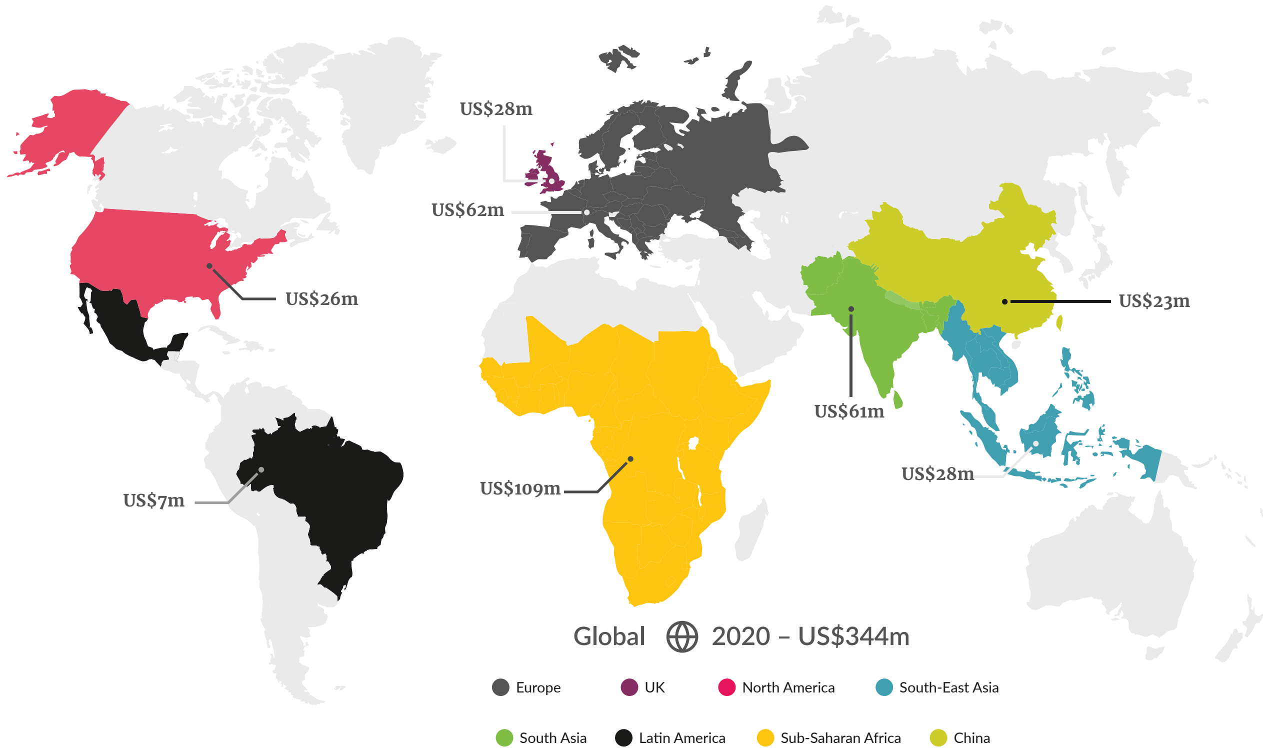
4 $6bn

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.

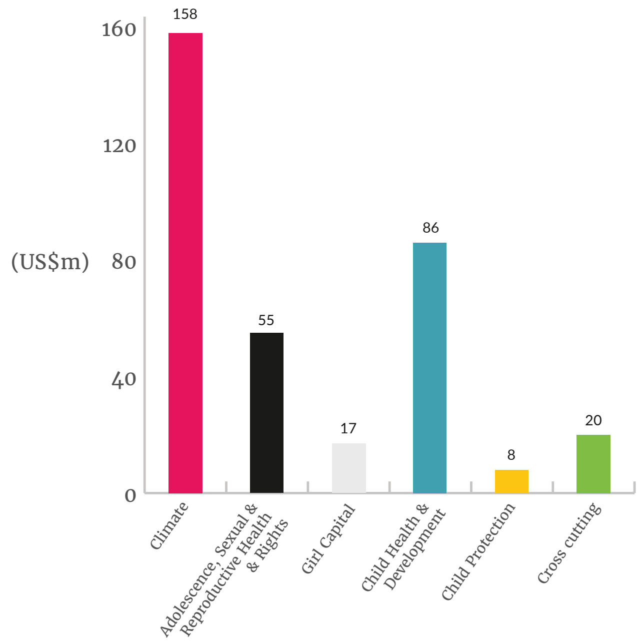
At a Glance: 2020 Charitable Activities

Total Charity Funds 2020	Total Charity Funds 2019	Total Charitable Investments Comitted 2020	Total Charitable Investments Comitted 2019	Total Disbursed 2020	Total Disbursed 2019
US$6 billion	US$5.9 billion	US$347 million	US$386 million	US$344 million	US$269 million



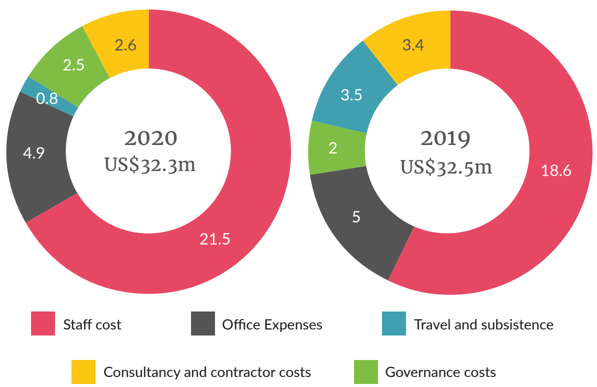
The map represents grant distributions by location of grantee activity.

Charitable grant payments by sector (US$m)



Total grant payments **US$344m**

Support cost by type – 2020 and 2019

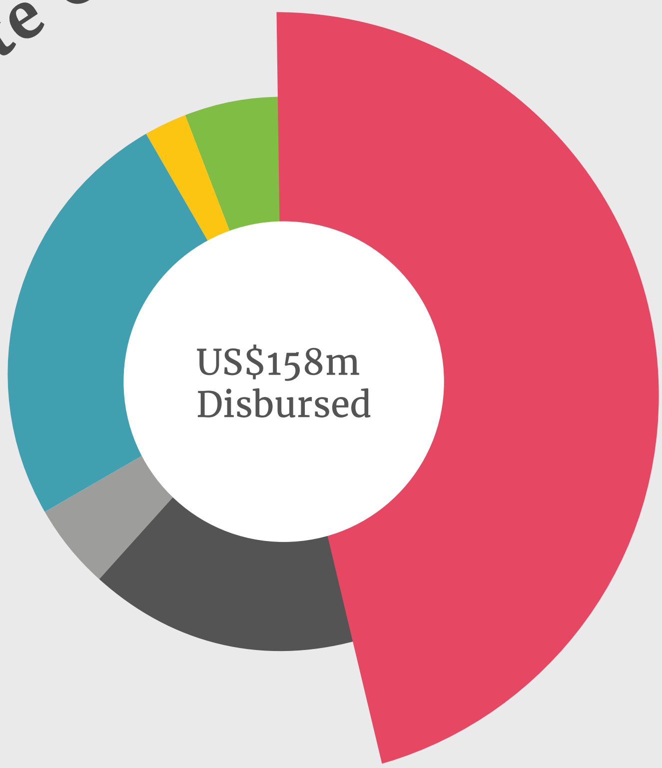


STRATEGIC OVERVIEW

Photo courtesy of IPE Global featuring school girls enrolled in the Udaan programme based in Rajasthan

Image sourced from Climate Visuals

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 fossils 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%.

> 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.

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.

Strategic Litigation

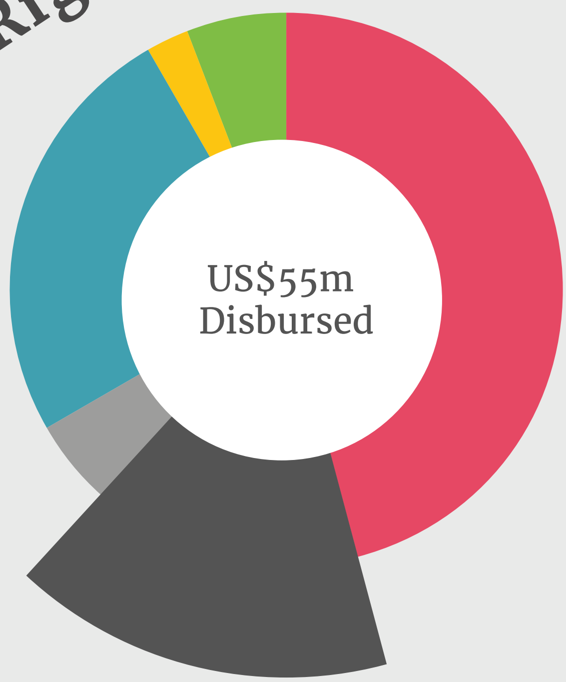
Strategic climate litigation has become an increasingly important tool as we seek to inform, implement and enforce laws and influence policies. Ultimately, we're working with partners to bring climate cases to the courtroom with the goal of creating change for the benefit of society.

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.

Image sourced from Climate Visuals

Photo courtesy of PSI featuring an A360 Tanzania Young Designer – taken by Emma Beck

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.

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.

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.

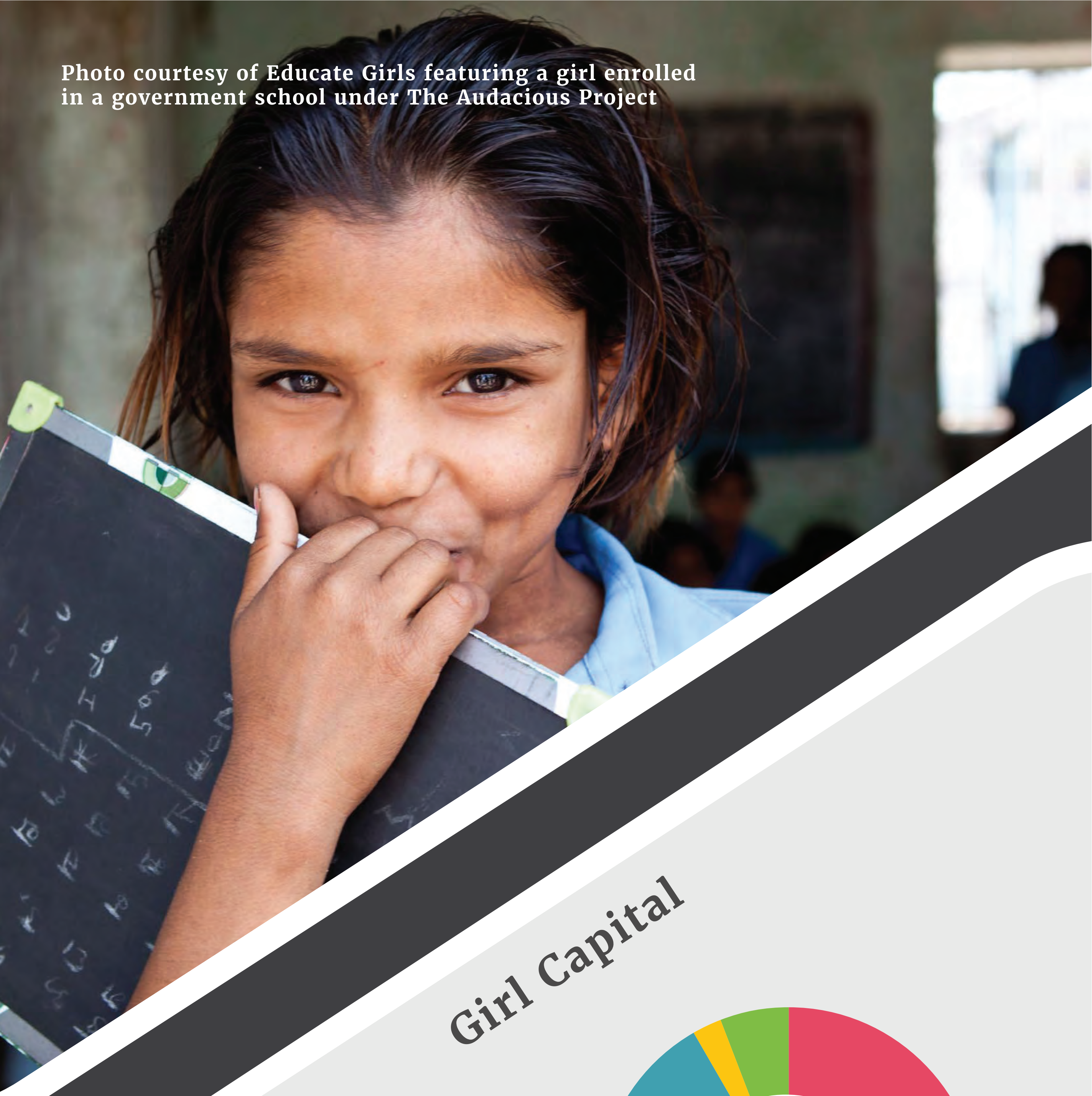
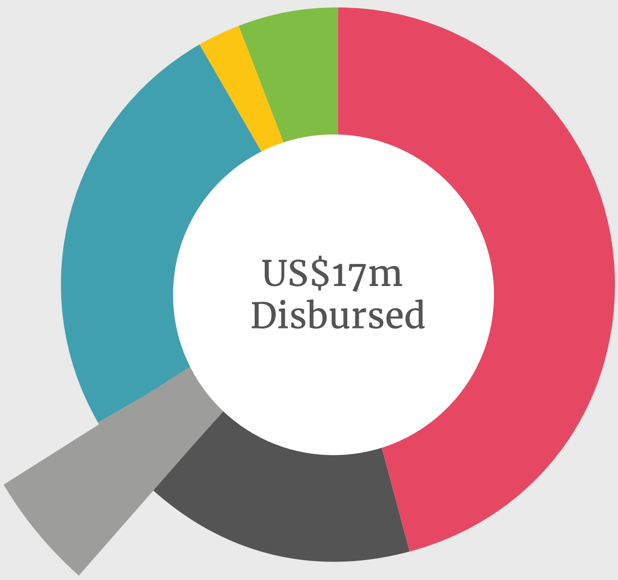


Photo courtesy of Educate Girls featuring a girl enrolled in a government school under The Audacious Project

Girl Capital



Girl Capital

Girl Capital is CIFF's newest strategic priority and marks an ambitious move to more gender-transformative programming at CIFF. 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. CIFF 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, CIFF 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.

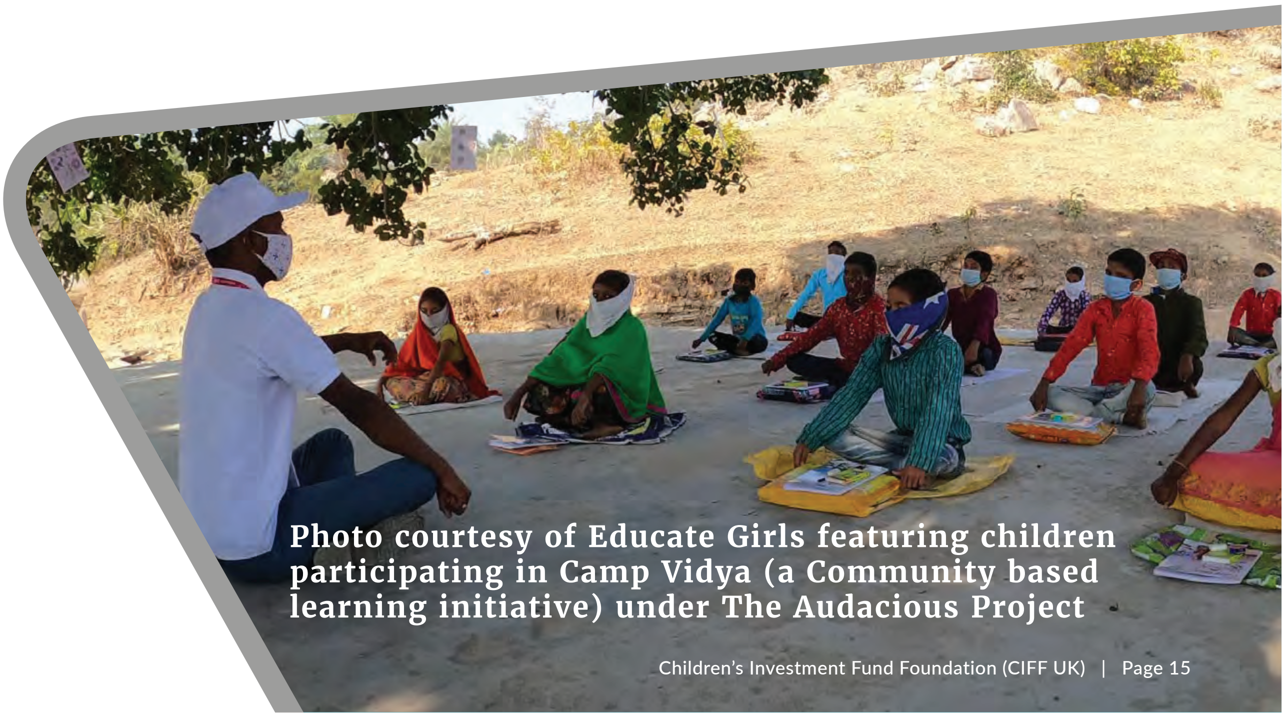
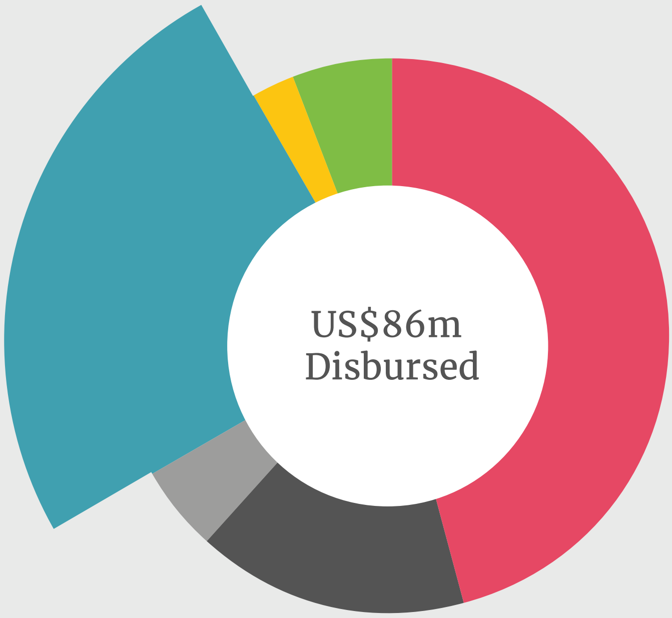


Photo courtesy of Educate Girls featuring children participating in Camp Vidya (a Community based learning initiative) under The Audacious Project

Photo courtesy of UNICEF, featuring Transform Severe Acute Malnutrition (SAM) in Jharkhand – taken by Soumi Das, 2018

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 13,000 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.

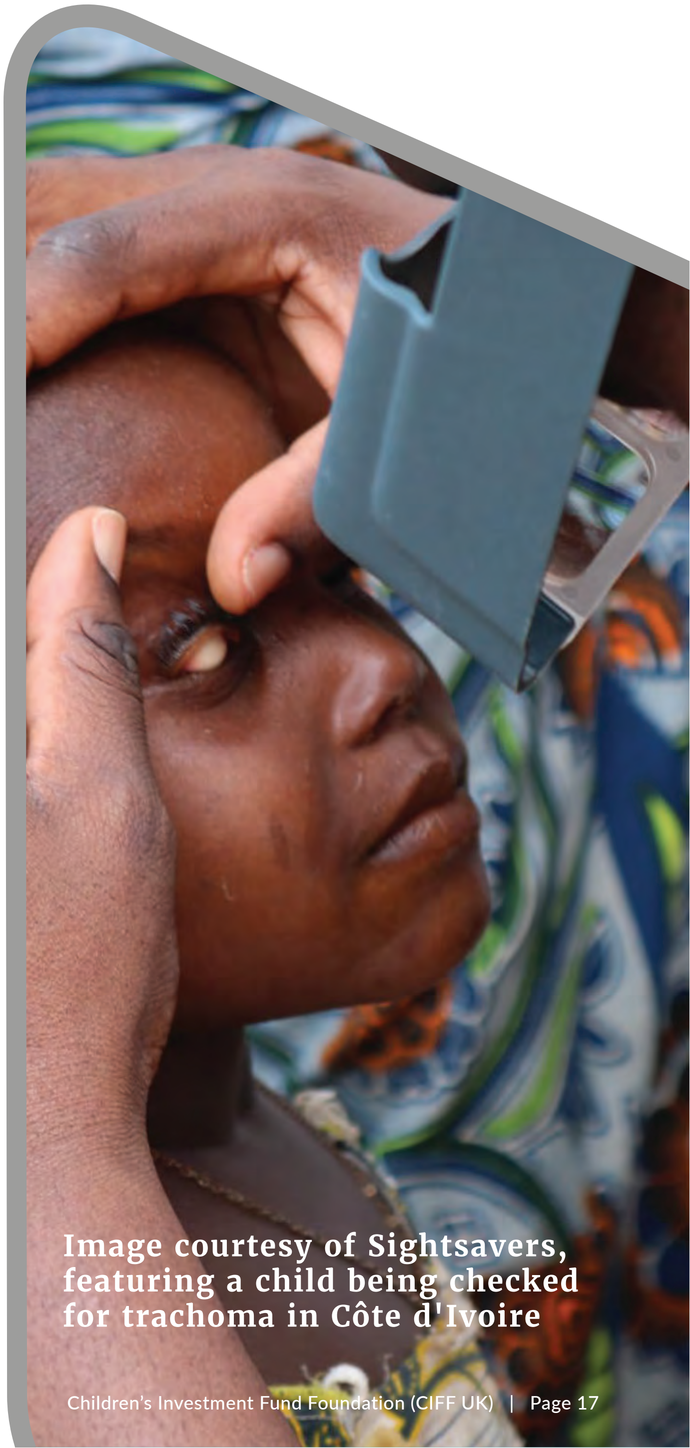
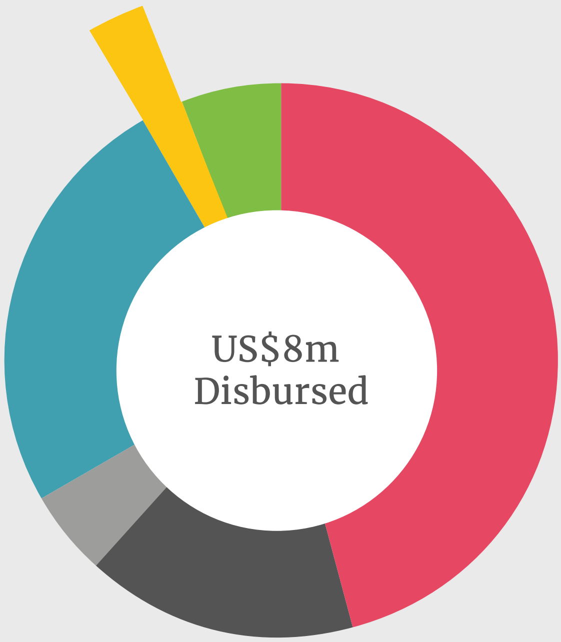


Image courtesy of Sightsavers, featuring a child being checked for trachoma in Côte d'Ivoire

Photo courtesy of Freedom Fund, featuring Core Grant (Hotspot Model) in Myanmar

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.

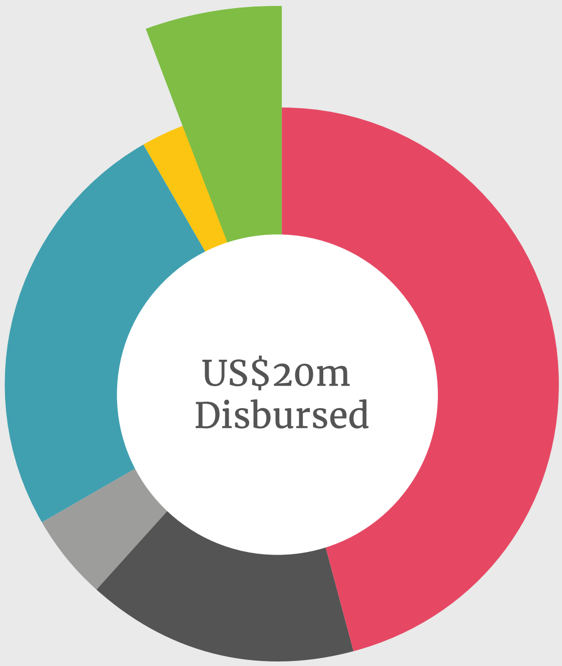
The scale of risk to children online is particularly challenging, with an image or video of a child being sexually abused being uploaded to the internet every five minutes.[1] This risk requires collective, significant efforts to address. CIFF's work on online child protection actively engages in community 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.iwf.org.uk/news/iwf-launches-once-upon-a-year-and-vows-to-tackle-demand-for-images-of-child-rape.

Photo courtesy of Freedom Fund, featuring Core Grant (Hotspot Model) in Ethiopia

Photo courtesy of Girls First Fund featuring organisational leadership from Muslim Teen Mothers Upraising Against Islam Forced Early Marriages, based in Kampala, Uganda

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.

REGIONAL ACTIVITIES

AFRICA

Photo courtesy of PSI featuring the A360's 9ja Girls based in southern Nigeria - taken by Emma Beck

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

Photo courtesy of the END Fund, featuring deworming programme in Ethiopia – taken by Indrias Getachew

INDIA

Photo courtesy of IPE Global featuring a health frontline worker (ASHA) briefing women on Injectable Contraceptives under the Udaan programme based in Rajasthan

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 RajPusht programme received an additional $32 million from the Rajasthan Government for cash transfers to pregnant women over the next five years. This will enable RajPusht 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.

Photo courtesy of Ekjut, featuring adolescents grounding themselves for a better future

CHINA

Image sourced from iStock

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.

Image sourced from iStock

EUROPE

Image sourced from iStock

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 CO_2 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.

Image sourced from Pexel

Strategic Report

Image sourced from Pexel

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 CIFF'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.

Photo courtesy of Ekjut, featuring women prioritising their health issues through voting game in PLA meeting

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.

Image sourced from Pexel

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 CO_2e per US$ million disbursement has been used which in the 19/20 period was 6 tonnes CO_2e (18/19: 11 tonnes CO_2e).

Acivity	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_2e)	4,337	2,528	1,705	8,570
Carbon credits (tCO_2e)	-	(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).

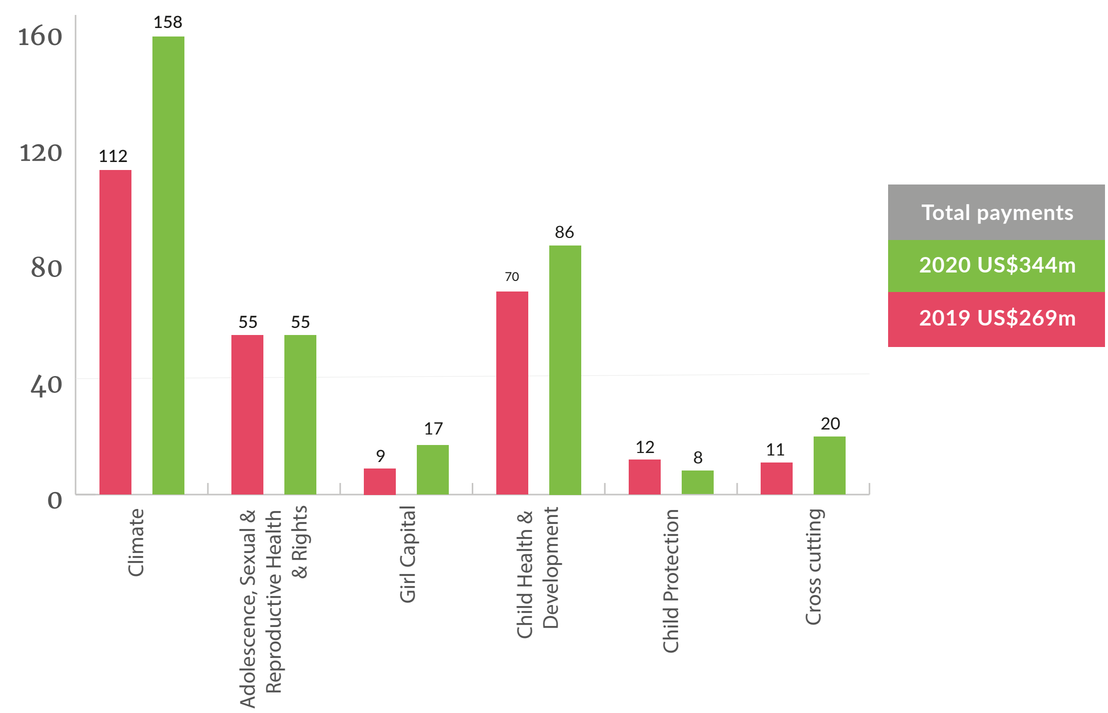
Activities undertaken directly (DCA)

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.

Charitable grant payments by sector (US$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.

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).

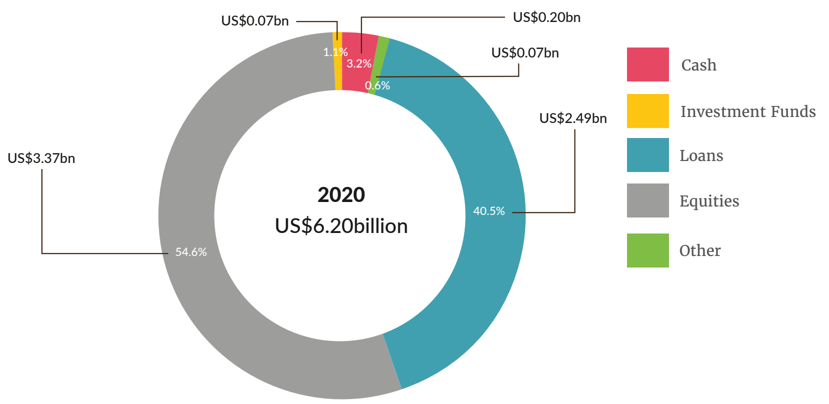
Investment management costs

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 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 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 it's 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 Lehtimaki (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. CIFF'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 bythe 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 Lehtimaki. 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 CIFF 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 CIFF 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)

Photo courtesy of Girls First Fund featuring organisational staff and programme participants from FABS Uganda, based in Wakiso,Uganda

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 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

	Notes	Unrestricted Funds US$ '000	Restricted Funds US$ '000	Expendable Endowment US$ '000	Year ended 31 Dec 2020 Total 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

	Notes	Unrestricted Funds US$ '000	Restricted Funds US$ '000	Expendable Endowment US$ '000	Year ended 31 Dec 2019 Total 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

	Notes	**Group 31 Dec 2020 US$ '000**	Group 31 Dec 2019 US$ '000	**Foundation 31 Dec 2020 US$ '000**	Foundation 31 Dec 2019 US$ '000
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**	46,445
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 CIFF Capital, by way of making an in specie transfer of the beneficial interest of certain of its investment assets to CIFF 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 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 CIFF Capital (2019: Foundation), the Notes are classified as a financial asset at FVPL within CIFF 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 CIFF 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	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
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 Bahavioral 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**
[1]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	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
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	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
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	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
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)	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
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)	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
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)	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
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 (LARCI 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

2020	Climate Change US$ '000	Adolescence, Sexual & Reproductive Healtah & Rights US$ '000	Girl Capital US$ '000	Child Health and Development US$ '000	Child Protection US$ '000	Cross Cutting US$ '000	Total US$ '000
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**

2019	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
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. Nagrath (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
$338k - $352k	**-**	1
$352k - $366k	**-**	1
$366k - $380k	**2**	-
$394k - $408k	**1**	-
$408k - $423k	**1**	-
$451k - $465k	**-**	1
$465k - $479k	**1**	-
$521k - $535k	**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 witholding 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
		3,475,443	3,260,156
Forward foreign exchange contracts		180	14,215
		180	14,215
Loans and receivables			
		2,489,244	2,208,753
Total Financial Assets		**5,964,867**	**5,483,124**

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		**55,154**	**13,510**

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
	429,717	**1,013,802**

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		**6,137,140**	**5,887,076**

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 Investmens 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) TPHL'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 lability 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 lability 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 Astraea 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 drawndown 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 unobserveable 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 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.

	% of Reference NAV	
	31 December	31 December
Sector	**2020**	**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.

Historical volatility rates	2020 %	2019 %
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.

Change in net assets	2020 US$ '000	2019 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.

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

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 (Moody's)**	**(S&P)**	**Credit exposure 31 December 2020 US$ '000**	**% of Assets**
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%**

Photo courtesy of PSI, featuring a Health Extension Worker engaging with a young married couple in the Smart Start programme

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 (Moody's)**	**(S&P)**	**Credit exposure 31 December 2019 US$ '000**	**% of Assets**
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 **31 December 2020**	**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**
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**

Group **31 December 2019**	**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**
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 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

CHILDREN'S INVESTMENT FUND FOUNDATION