

# Annual Report 2023



School children in Nairobi enjoying a hot nutritious meal as part of the Food4Education programme. Read more about this work on page 17.

Photo credit: Food4Education

CIFF


CHILDREN'S  
INVESTMENT FUND  
FOUNDATION

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Kolabe Bale Health Post - Maternal Nutrition in Oromia, Ethiopia.

*Photo credit: UNICEF Ethiopia*



Wawira Njiru at Food4Education largest green giga kitchen.

*Photo credit: Food4Education*

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# Founder's Message



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

## Sir Christopher Hohn

Founder and Chair  
13 June 2024

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

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

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

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

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

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

Despite being the single greatest threat to our planet's existence, philanthropists continue to neglect the climate crisis – only 2% of philanthropic financing is currently dedicated to tackling this defining challenge. However, with the significant support of CIFF and others, governments and multilateral institutions came together to commit significant funding packages this past year. **At COP28, we saw a global shift**

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

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

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

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

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



Sir Christopher Hohn  
Founder and Chair  
13 June 2024



Preparing meals at the Giga Kitchen as part of the Food4Education programme in Kenya.

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

# CEO's Message



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

## Kate Hampton

CEO  
13 June 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Kate Hampton, CEO  
13 June 2024



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

# 2023 by the numbers

**\$516m**

## Charitable Investment Approved

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

**\$578m**

## Grant Disbursements

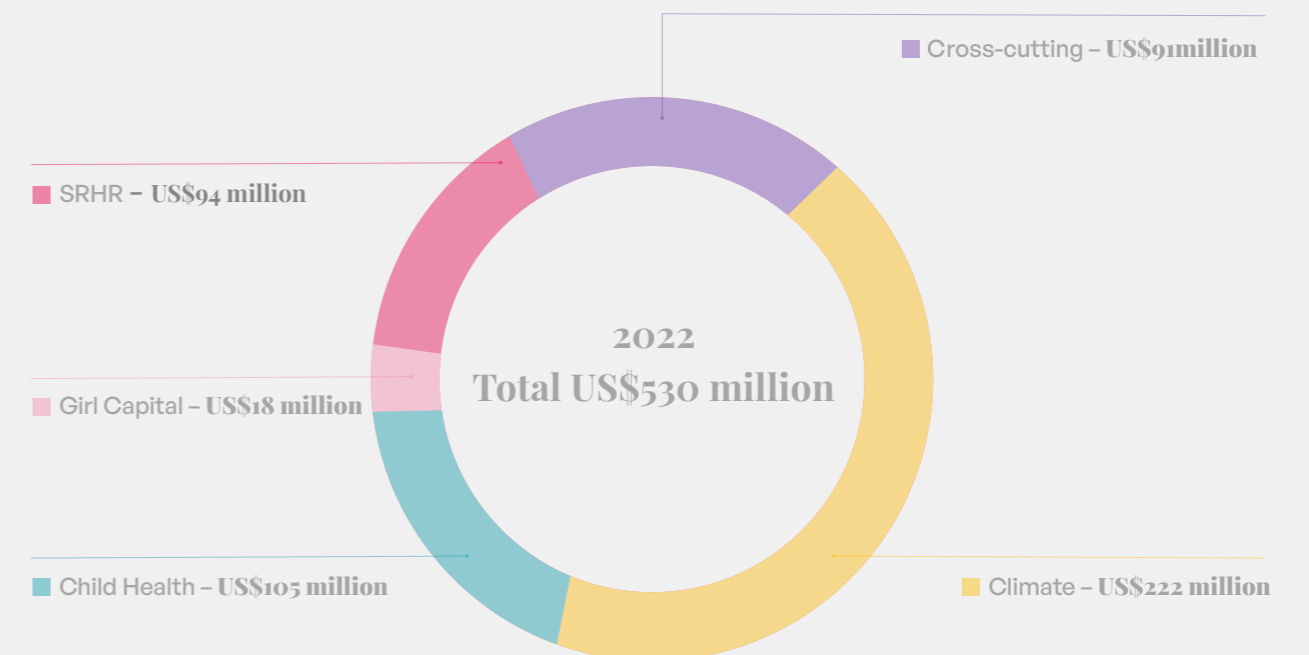
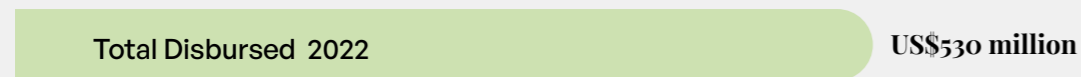
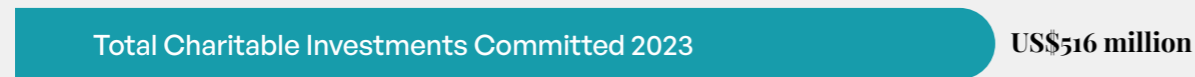
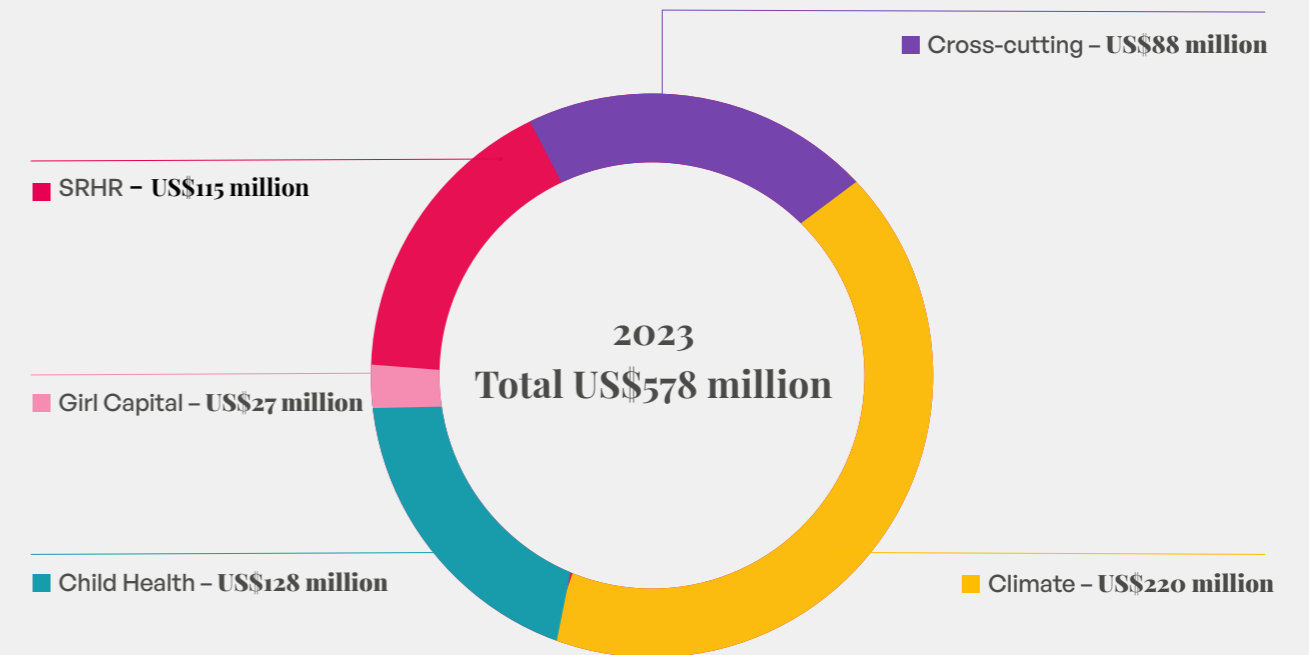
CIFF disbursed grants of \$578 million in 2023, an increase of \$48 million compared to 2022.

**\$5.9bn**

## Endowment

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

## 2023 Disbursements by programmatic area vs 2022



# Impact Highlights in 2023

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

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

[Read more about our climate work on pages 11, 12, 20, 21 & 22.](#)

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

[Read more about our nutrition work on page 14.](#)

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

[Read more about our SRHR work on page 13.](#)

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

[Read more about our work in India on pages 18-19.](#)

**Africa:** In 2023, CIFF supported to the work of Food4Education and within 8 months, **Africa's largest 32,000 ft<sup>2</sup> Giga kitchen** was constructed, operational and will ultimately be able to provide 60,000 meals a day. By December 2023, the kitchen was functioning at 50% capacity, serving **hot lunches to 28,800 children**, with plans to work at full capacity by the beginning of 2024.

[Read more about our work in Africa on pages 16-17.](#)

# New Partnership Initiatives in 2023

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

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



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

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



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



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

# Overview of our work in 2023



Amina (left) a member of the CAMFED Association of women leaders educated with CAMFED support stands with her mentee, secondary student Fatuma (right) in Tanzania.

Credit: CAMFED/ Kumi Media

# Global



Solar panel field in Bali, Indonesia. Read more about the progress made towards renewable energy in Indonesia on page 21.

CIFF's CEO Kate Hampton speaking at COP28 on delivering a climate finance architecture that works for all.

## Climate

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

### Transition finance

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

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

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

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

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

### Global Climate Highlights

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

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

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

Photo credit: COP28 / Anthony Fleyhan



View of attendees during the UN Climate Change Conference COP28 at Expo City Dubai on November 30, 2023, in Dubai.

Photo credit: MSI Reproductive Choices Senegal

A midwife working for MSI in Nigeria providing group counselling on contraception. Our partnership on the Step Up platform has helped expand access to contraceptive choices, reaching 4 million women and girls since 2021.



Photo credit: MSI Reproductive Choices, Nigeria



Faith, MSI Nigeria outreach midwife, provides group counselling on contraception.

## Sexual & Reproductive Health & Rights

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

### Increasing access to comprehensive family planning choices

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

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

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

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

### Breaking the cycle of HIV transmission


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

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

### Closing the funding gap for contraceptive supplies:

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

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



CIFF Founder, Sir Christopher Hohn speaking at the Global Food Security Summit 2023.



Children in Nairobi, queuing for a meal as part of Food4Education programme in Kenya.

Photo credit: Food4Education

## Nutrition

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

### Global finance for Severe Acute Malnutrition (SAM)

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

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

### Scaling evidence to policy

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

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

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

### Integrating nutrition across health services

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





Evaluation and Leadership Training Programme (ELTP) was completed in July 2023 with 8 grantee partners from Africa and South Asia.

## Cross-cutting

### Evidence Measurement and Evaluation

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

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

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

### Organisation and Ecosystem Development (OED)

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

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

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

### Equity, Gender and Youth

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

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

### Big Win Philanthropy (BWP)

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

# Africa



Photo credit: Ujamaa Africa



Photo credit: Living Goods

Community Health Worker, Godrick Ouma (right) attends to Roseline Awino during his household visit in Namable, Busia County, Kenya.

A student taking part in the 'Safety in Schools' programme led by our partners, Ujamaa Africa.

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

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

## Helping girls reach their potential through Girl Capital

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

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

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

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

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

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

### Building Resilient Communities through sustainable programming

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

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

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

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

Our **nutrition** portfolio in Africa continued to grow in 2023, encompassing different types of intervention, from an innovative school feeding programme in Kenya, to the growth of nutrition in maternal and newborn care, to great strides in the rollout of Multiple Micronutrient Supplement (MMS). A key highlight from last year was our collaboration with **Food4Education to expand a ground-breaking school feeding program model in Kenya.** Within 8 months, Africa's largest 32,000 ft<sup>2</sup> Giga kitchen was constructed and operational, capable of providing 60,000 meals a day. By December 2023, the kitchen was serving hot lunches to 28,800 children, with plans to work at full capacity by the beginning of 2024. Furthermore, in June 2023, Food4Education, supported by our founder, Sir Christopher Hohn, partnered with the Nairobi County Government (NCG) and committed to offer lunch meals to all public primary school children through a 1:1 matched funding of \$10 million. This collaboration prompted the county government to commit to constructing 19 additional

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

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

### Climate

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

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

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



A doctor in Burkina Faso working with the ARISE programme in treating Lymphatic Filariasis.

# India



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

## Showcasing Indian Innovation Globally

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

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

## Building Global Institutions from India

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

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

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

## Scaling programmes in partnerships with the government

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

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

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

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

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



Credit: Balaji Srinivasan.

An electric vehicle charging station in India.



# National Technical Consultation on ANC

## Frontier Solutions for Access to Quality Antenatal Care

26th April 2023, New Delhi




CIFF participates in a panel during the National Consultation on Antenatal Care.

# East & South-East Asia



Making Cooling Green in China.



An engineer is examining the damaged solar panels.

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

## Supporting China's domestic green transition and overseas green investment

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

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

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

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

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

## Driving energy transition in Southeast Asia and the broader region

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

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

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

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

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

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



Photo credit: xxx

Electric Vehicle  
Development in  
China.

# Europe



Scorched grass in Greenwich Park, London, England, during a heatwave.

Photo credit: Ailsaare Hickson


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

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

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

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

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



Solar panels, wind turbines and electricity pylons at the solar array of community project low carbon Gordano, a community renewable energy project. Delivering 1,750kWh per annum. Avon, Somerset.

Photo credit: Andy Atchison

# Strategic Report

Kolabe Bale Health Post - Maternal Nutrition and care in Oromia, Ethiopia.

# Strategic Report

## Section 172(1) Statement

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

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

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

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

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

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

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

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

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

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

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



# Social Impact of CIFF's Operations

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

## A continued focus on building an open and inclusive culture

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

## Empowered and positive leadership

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

## A lens of learning and high performance

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



# Reducing the environmental impact of our operations

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

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

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

## CIFF's Climate Transition Plan

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

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

## Operational emissions

### Independent Measurement

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

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

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

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

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

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## Methodology and calculation changes

The carbon calculation for 2023 incorporates well-to-tank estimates for travel (previously not included) and changes to UK government (DEFRA) produced factors for flight carbon calculations. The impact of the adjustments is an increase in carbon of approximately 700 tCO<sub>2</sub>e in 2023.

## Reductions

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

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

## Contribution

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

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

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

Given these considerations, we have chosen to purchase credits from: i) a CORSIA-eligible biogas project in India that will provide co-benefits to the community along with emissions reductions, ii) an afforestation project using native species in Costa Rica, iii) a CORSIA-eligible safe water supply project in Eritrea using borehole technology, iv) emissions allowances from the EU Emissions Trading System (EU ETS), and v) high-quality direct air capture removals. VCMI’s Claims Code of Practice<sup>2</sup> sets out transparency requirements for all buyers of carbon credits. It should be noted that regarding the application of corresponding adjustments (CAs) to voluntary credits, VCMI permit carbon credits with or without any associated corresponding adjustments, to be used to underpin Carbon Integrity Claims. It is unlikely that any of the credits purchased are associated with CAs given that neither India, Panama, nor Eritrea<sup>3</sup> have formalised their stance on CAs or have frameworks in place to provide Article 6 authorisations and apply CAs. We follow VCMI’s guidance in disclosing our most recent purchase of credits, as outlined in the table below:

<sup>2</sup> <https://vcmintegrity.org/vcmi-claims-code-of-practice/>

<sup>3</sup> According to MSCI Carbon Markets and Gold Standard

<b>Volume of credits purchased</b>	353	818	721	144	464	2,300	200
<b>Certification standard name</b>	Gold Standard	Gold Standard	Gold Standard	Gold Standard	Gold Standard	EU ETS Allowances	Climeworks
<b>Project Name</b>	Domestic Biogas Project for rural households in India	Eritrean Community Boreholes	Eritrean Community Boreholes	Eritrean Community Boreholes	Planting Biodiverse Forests in Panama	n/a- purchased via Carbon Footprint	Climeworks – Direct Air Capture removals
<b>Project ID</b>	GS6275	GS5125	GS5125	GS5125	Marketplace	n/a	n/a
<b>Retirement serial number</b>	GS1-I-IN-GS6275-4-2020-21700-201-553	GS1-I-ER-GS5125-16-2020-23101-501-1318	GS1-I-ER-GS5125-16-2020-23744-1-721	GS1-I-ER-GS5125-16-2020-24650-748-891	GS1-I-PA-GS2940-21-2017-21671-43056-43519	n/a	n/a
<b>Retirement date</b>	May 24, 2024	May 24, 2024	May 24, 2024	May 24, 2024	May 24, 2024	n/a	n/a
<b>Issuing Registry for credits used</b>	Gold Standard	Gold Standard	Gold Standard	Gold Standard	Gold Standard	EU ETS Union Registry	n/a
<b>Host country</b>	India	Eritrea	Eritrea	Eritrea	Panama	n/a	Switzerland
<b>Credit vintage</b>	2020	2020	2020	2020	2017	n/a	2023
<b>Methodology/ project type</b>	AMS-I.E. Switch from Non-Renewable Biomass for Thermal Applications by the User	GS Methodology for emission reductions from safe drinking water supply	GS Methodology for emission reductions from safe drinking water supply	GS Methodology for emission reductions from safe drinking water supply	Afforestation/ Reforestation GHG Emissions Reduction & Sequestration Methodology	n/a	Climeworks/ DNV removals methodology (pending certification)
<b>Whether or not the carbon credit is associated with corresponding adjustments (as evidenced by authorization and authorized use) by the host and/or buyer country</b>	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]	n/a	[No - we confirm that the mitigation underlying the carbon credit may also count toward the host country's Nationally Determined Contribution.]
<b>Whether or not the carbon credit is associated with any third-party certification regarding social or environmental integrity (e.g., SDGs label)</b>	Certified SDG Impacts: 3, 7, 13 Further detail: <a href="#">here</a>	Certified SDG Impacts: 1, 4, 5, 7, 13, 15 Further detail: <a href="#">here</a>	Certified SDG Impacts: 1, 4, 5, 7, 13, 15 Further detail: <a href="#">here</a>	Certified SDG Impacts: 1, 4, 5, 7, 13, 15 Further detail: <a href="#">here</a>	Certified SDG Impacts: 1, 8, 12, 13, 15 Further detail: <a href="#">here</a>	n/a	n/a

## Investment portfolio

CIFF has an investment portfolio of \$5.9 billion that finances our charitable expenditure. CIFF's endowment is subject to restrictions to ensure we remain invested in companies that are not working against CIFF's ethical values. Find out more about our Investment Policy on page 33.

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

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

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

The CIFF investment portfolio is made up of public equities (2023: 77% of investments, 2022: 77% together with unlisted debt, equity, and fund investments). The availability and accuracy of emissions data for unlisted investments are limited, therefore the reporting only includes public listed equities. We will continue to investigate approaches to capture emissions for the remainder of the investment portfolio with the aim of continuing to enhance our emissions reporting annually.

For our public equities, we recorded a scope 1 and 2 emission footprint of 61,351 tCO<sub>2</sub>e as of 31 December 2023 (2022: 63,664 tCO<sub>2</sub>e) which is significantly below the emissions of the MSCI World Index proxy benchmark for a portfolio of the same size at 197,518 tCO<sub>2</sub>e (2022: 347,310 tCO<sub>2</sub>e). The emission footprint calculation is based on guidance set out by the Partnership of Carbon Accounting Financials (PCAF) and emissions data collected directly from company financial statements for reporting period 31 December 2023 or where the reporting period is not aligned, the closest reporting to 31 December 2023 that is available.

## Public Equities Carbon Footprint (TCO<sub>2</sub>e) as at 31 December 2023



In addition to emissions, CIFF have also tracked performance against core elements of a climate transition plan across the portfolio where data is available.

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

# Financial Review

## Five-year summary of income and expenditure

### Summary of income and expenditure

	2019	2020	2021	2022	2023
	US\$m	US\$m	US\$m	US\$m	US\$m
Incoming resources	106	97	29	72	299
Net Investment gains/(losses)	1,013	431	695	(487)	1,017
Foreign exchange	2	(1)	(0)	(1)	4
<b>Total incoming resources including recognised gains and (losses)</b>	<b>1,121</b>	<b>527</b>	<b>724</b>	<b>(416)</b>	<b>1,320</b>
Investment management costs	98	14	19	15	12
Charitable activities	289	369	828	491	549
<b>Total resources expended</b>	<b>387</b>	<b>383</b>	<b>848</b>	<b>506</b>	<b>561</b>
<b>Net movement in funds</b>	<b>734</b>	<b>144</b>	<b>(124)</b>	<b>(922)</b>	<b>759</b>

### Summary of assets and liabilities

	2019	2020	2021	2022	2023
	US\$m	US\$m	US\$m	US\$m	US\$m
Investments	5,484	5,973	5,909	5,119	5,890
Current assets	650	232	454	189	159
Total liabilities	(272)	(200)	(481)	(359)	(343)
<b>Total assets less Total liabilities</b>	<b>5,862</b>	<b>6,005</b>	<b>5,881</b>	<b>4,949</b>	<b>5,706</b>

### Summary of financial and operational information

	2019	2020	2021	2022	2023
Grant disbursements (US\$m)	269	344	468	530	578
5-Year disbursement ratio*	5.2%	4.8%	5.4%	6.6%	7.7%
Average headcount (FTE)	115	132	167	195	211
Operating expense as a % of disbursements**	11.8%	9.1%	8.3%	7.8%	7.7%

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

\*\* For this ratio, operating costs do not include the exceptional expenses included in 2019-2023.

## Charitable activities

The Foundation committed US\$549 million to charitable activities (2022:US\$491 million), which consisted of US\$500 million of charitable grant commitments (2022:US\$445 million), US\$5 million of activities undertaken directly (2022:US\$5 million) and US\$44 million of operating cost (2022: \$41 million).

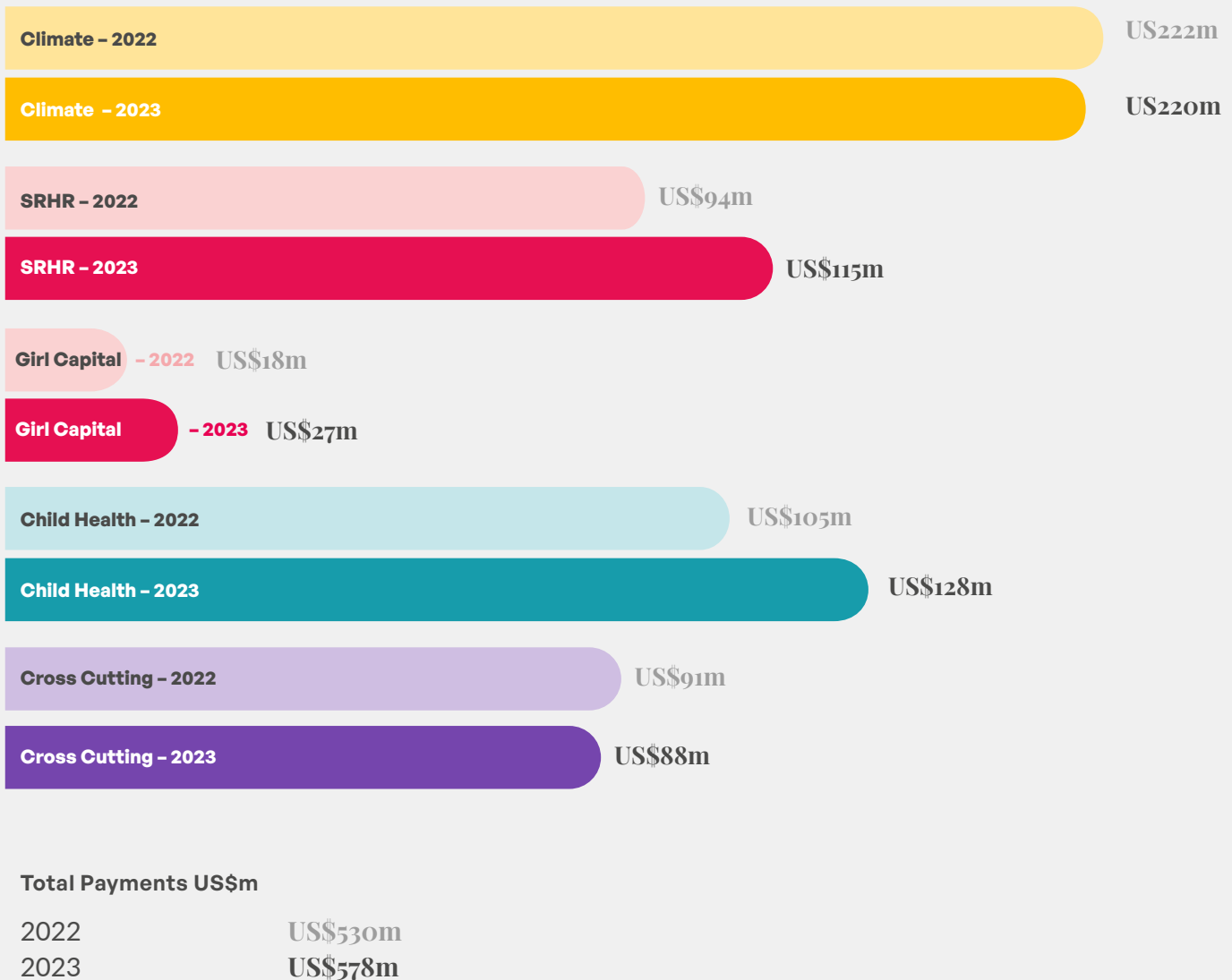
## Activities undertaken directly (DCA)

The direct expenditure of US\$5 million (2022:US\$5 million) on charitable activities was mainly to further CIFF's mission by convening conferences and events, providing technical assistance and training to grantees and other charitable organisations, and publishing and disseminating research findings.

## Grant disbursements

The Foundation made US\$578 million of charitable grant payments in 2023, which is the sixth successive year of increased disbursements and represents a 10% increase on the prior year (2022: US\$530 million). The chart below shows the grant payments made in 2023.

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



# Investment Review

## Investment strategy

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

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

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

## Asset growth

Since inception, the Foundation has received voluntary income, donations and donations-in-kind of over US\$2.6 billion. Over the last 10 years, the Foundation's net assets have grown through investment to US\$5.7 billion as at 31 December 2023 (2022:US\$5.0 billion), after charitable activities, governance costs and investment management costs of over US\$4.6 billion (2022:US\$4.0 billion).

## Investment returns

Total incoming resources were US\$299 million (2022: US\$72 million), consisting of dividends and interest received from the Group's equity and fixed income investment portfolio together with donations. Investment gains in the year were US\$1,020 million (2022: loss of \$487 million). The combined net investment return for the financial year ended 31 December 2023 was 22% (2022: (7)%), reflecting continued strong investment performance, with a cumulative performance of 552% since April 2009, equivalent to 14% per annum return (net of fees). Cumulative investment performance is measured from April 2009.

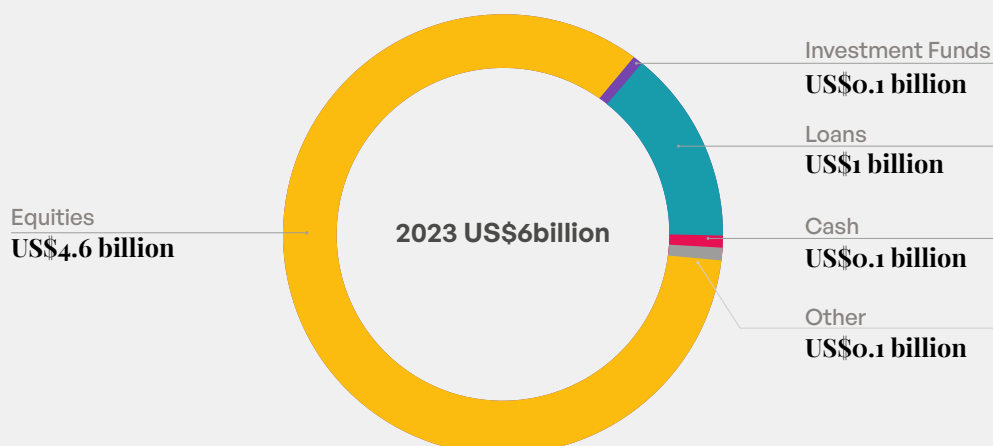
## Investment management costs

Investment management costs in 2023 were US\$12 million (2022: US\$15 million), which mainly related to managing subsidiaries holding endowment investments, including brokerage and charges intermediary fees accrued to a third-party real estate advisor (see note 26 for further details of service providers). No fees are charged by TCI Fund Management Limited in relation to management of the endowment assets.

## Asset allocation

The investment manager, TCI Fund Management Limited (TCI FM), invests the Foundation's assets in different classes and sectors within the parameters set by the Foundation's investment management restrictions, adopted by the Trustees. The Foundation and its subsidiaries (the "CIFF Group") operate a diversified portfolio, invested in a number of different types of financial instruments across a wide range of sectors (with certain limitations - see investment policy on page 29). The allocation by asset type is set out in the chart below.

### Percentage total asset allocation by asset type (including cash)



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# Risk Management and Key Policies

## Risk Management

The Trustees are responsible for the management of the risks faced by the Foundation and have examined the major strategic, business and operational risks to which the Foundation is and may be exposed. The principal manageable risks to the organisation identified by the Trustees during the year are those related to safeguarding of beneficiaries and staff of grantees, exposure to cyber-attacks and fraud and the regulatory environment regarding the receipt of foreign charitable funds in certain jurisdictions that ClIFF operates in.

The Trustees are satisfied that sub-committees, systems, controls and policies are in place to mitigate and manage exposure to risks identified by the Trustees through the process described below. They continue to review current processes, recognising that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The management of major risks is carried out in accordance with guidance by the Charity Commission. The Foundation has established organisational risk working groups that review, identify and manage risks through the Foundation. The risk working groups are in each case comprised of relevant staff from throughout the Foundation and cover the following areas: Operations, Ecosystems (formerly Partners), People and Political and Reputational. These groups meet semi-annually (in some cases attended by external advisers), to discuss the risks faced by the Foundation and mitigating actions. The groups each prepare reports that assign ratings to the risks identified based on the likelihood and impact of the risk, which is then adjusted for relevant mitigants. The final reports from the risk working groups are moderated by the Executive Team before being presented to the Board for review, also on a semi-annual basis.

The Foundation maintains a comprehensive set of compliance policies that are intended to address many of the risks it faces. These include policies regarding safeguarding, bribery, corruption and fraud, modern slavery and use of IT. During the year, the Foundation updated its safeguarding policy to better reflect ClIFF's current approach and organisational practices to safeguarding. The Foundation is deeply committed to recognising, promoting and protecting the rights of all children and adults at risk and its updated policy reemphasise its core values of: prioritising the welfare and best interests of children and adults at risk, seeking to do no harm; and participatory safeguarding where the views of staff, partners and those who our funding supports are central to the development of safeguarding practices. The policy was launched alongside organisational wide training and continues to be implemented in the design, due diligence, operations and monitoring of ClIFF's programmes.

## Investment Risk Management

### Investment Policy

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

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

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

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

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If a company in which the Foundation is invested falls into one of these categories, the investment manager has 12 months to divest. However, the investment manager may invest in companies or entities that market breast milk substitutes as described above if the investment manager encourages the relevant company or entity to adopt a publicly available policy committing to adopting the Code of Marketing Breast Milk Substitutes.

Taking into account the advice of the Finance Committee, the Board is satisfied with the current investments and their allocation, although the Board will continue to monitor and review the investment strategy, through the Finance Committee. The Finance Committee regularly reviews the performance of the endowment and engages with the investment manager to understand the impacts and actions of the manager. The views of the Finance Committee are shared with the Board so that the non-conflicted Trustees can assess whether they believe any changes to the Investment Policy or the investment management arrangements are required.

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

The members of the Finance Committee complete a full review of the Investment Policy at least annually, which includes a review of the investment manager, benchmarking its returns and also benchmarking the intermediary fees of the third party real estate advisor. The Foundation's exposure to price risk, credit risk, liquidity and cashflow risk are addressed in note 16 to the financial statements. Further details of the investment portfolio can be seen in the notes to the consolidated financial statements.

## **Cash Management Policy**

The Foundation has a Cash Management Policy, which was adopted by the Trustees on 11 March 2013 and was most recently updated by the Trustees in September 2020. The Cash Management Policy is reviewed at least annually by the Finance Committee and the Trustees and, if necessary, amended.

The Cash Management Policy sets out:

- The principal objective of cash management at the Foundation, which is to ensure that the Foundation has sufficient cash available to meet its working capital requirements. The Foundation does not seek to maximise investment returns through its cash management activities;
- The cash management activities that are permitted by the Foundation and the applicable limitations upon those activities; and
- Who is required to authorise cash management activities.
- The Foundation implements the Cash Management Policy in accordance with its charitable objects and investment powers, as set out in its Memorandum of Association and in accordance with applicable guidance from the Charity Commission (including CC14).

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## **Financial risk management**

### **Internal controls**

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

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

The Foundation's budgets are prepared annually. The Foundation's support and governance spend is set by reference to total planned charitable disbursements to ensure it remains reasonable and proportionate. The Executive Directors review and approve guidance for budget holders and staff to monitor and control operating cost and government-related expenditure. Further details of financial risk management can be seen in Note 16 of the consolidated financial statements.

### **Granting Policy**

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

For each new grant programme, or "investment", a full programme budget and mapped work plan is developed by the grantee and the CIFF sector teams during the due diligence phase in order to obtain the necessary approval by the Board, Programme Investment Committees (PICs), or, in the case of investments of a programme with a budget of US\$1 million or less, the CEO (see also the Foundation Governance Structure section on page 37).

Upon approval by the Board or PICs, the full programme budget is agreed for the full-term of the programme, subject to the performance reviews that take place during each year of the multi-year programme or any other specific conditionality or "gating" requirements imposed by the Board or PICs. During performance reviews, the relevant CIFF sector team reviews the progress of the grant and, if appropriate, agree the work-plan going forward, budget, KPIs, milestones and deliverables.

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

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

### **Reserves Policy**

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

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## *Unrestricted reserves*

### **Designated funds**

As at 31 December 2023, the Trustees have earmarked US\$984 million (2022: US\$914 million) of reserves as designated funds in recognition of funds which may be called upon to fund approved multi-year programmes within the next 1 to 5 years. These amounts are not provided for as a liability in the accounts.

### **Operational Reserves**

The Foundation's unrestricted funds have also been used in 2023 and previous years as "Operational Reserves" to finance the Foundation's grant expenditure and direct charitable activity expenditure, operating cost and governance costs and to provide a short-term buffer for grant-making and other costs.

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

In view of the high level of liquidity of a large proportion of the Foundation's assets, the Trustees do not consider that it is necessary or justifiable to carry unrestricted operational reserves and therefore working capital surpluses are transferred to the expendable endowment. The unrestricted operational reserves as at 31 December 2023 was US\$nil (2022: US\$nil).

## *Restricted Funds*

Restricted funds are generated when a donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expensed. The Trustees ensure that these funds are expensed in accordance with the terms under which they have been donated to the Group. The restricted fund balance as at 31 December 2023 was US\$14 million (2022: US\$8 million) which consisted of fixed assets relating to drilling equipment for water wells and restricted funding received not yet disbursed. There are no performance-related conditions in relation to restricted funds.

## *Expendable Endowment Funds*

The Group's endowment is expendable at the Trustees' discretion. The Trustees have the power to convert any required amount of this endowment into an income which can then be utilised by the Foundation to further its charitable objects. The Trustees' intention is to monitor the value of the expendable endowment fund in real terms over a multi-year period to ensure that the Group can maintain its existing level of annual charitable expenditure and increase it gradually as they see necessary to meet the Foundation's charitable objectives for future years. At the year end, the value of the expendable endowment fund was US\$4,719 million (2022: US\$4,036 million).



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## Structure and Governance

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

### Subsidiary Companies and Overseas Branches

The Foundation has twelve directly or indirectly owned vehicles within its Group as at 31 December 2023 (2022: twelve) that have a mixture of purposes including to hold endowment investments and to help achieve the charitable objectives of the foundation. For the period to 31 December 2023, the reported results of the subsidiary undertakings of CIFF are disclosed in note 14. These results of the CIFF Group are consolidated and presented in the consolidated financial statements.

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

### The Board of Trustees

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

Sir Christopher Hohn

Mr Ben Goldsmith

Mr Masroor Siddiqui

Ms Ana Marshall

Mr Marko Lehtimäki

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

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

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

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

### The Finance, Audit and Investment Committee

The Finance, Audit and Investment Committee was established in May 2006 and is constituted by not less than four members appointed by the Board, one of whom must be a Trustee. Other members with appropriate skills and expertise, who need not be Trustees, may be appointed to the Committee by the Board. The current trustee member is Masroor Siddiqui and the five independent members of the Committee are Emmanuel Roman (Chair), Kevin Davis, Richard Hayden, Jacob Schimmel and Ellen Shuman. CIFF's Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer and General Counsel are regular attendees of the Committee. The Finance, Audit and Investment Committee has delegated responsibility on behalf of the Board for advising the Trustees on audit, finance and investment matters. The Board reviewed and updated the terms of reference for the Finance, Audit and Investment Committee in December 2023.

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## **Programme Investment Committee, Climate**

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

## **Programme Investment Committee, Children**

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

## **CEO Delegated Authority**

The Board has delegated to the CEO responsibility for receiving, considering and making decisions upon certain grant proposals up to and including US\$1 million. The Terms of Reference for the CEO's delegated authority were approved by the Board on 11 February 2014 and last amended on 10 June 2019. This authority is subject to a maximum aggregate limit of 10% of forecast multi-year value ("MYV") of new programmes set out in the relevant financial year's business plan. The CEO also has delegated authority to approve evidence, measurement and evaluation, as well as grantee organisational development grants, in each case up to 1% of MYV.

## **Remuneration Committee**

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



# Remuneration Report and Other Governance

## The principles of the remuneration policy

The Foundation aims to develop and maintain remuneration strategies and policies in line with the corporate strategy, culture and objectives of the organisation. Our reward and recognition strategies and policies are designed to attract and retain motivated and talented people. We will remain competitive within the markets in which we work to manage a skilled and diverse workforce. Salaries are bench-marked periodically using external market data. Exceptional personal performance, giving due consideration to each role, is reflected in discretionary bonus awards and annual salary reviews.

## Remuneration of Key Management Personnel

	31 December 2023 US\$'000	31 December 2022 US\$'000
Executive Directors	3,389	3,205
Employer Pension Contributions	81	62
Employer National Insurance Contributions	329	345
<b>Total Consideration</b>	<b>3,799</b>	<b>3,612</b>

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

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

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

## Relationship with Other Charities

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

## Political Contributions

The Foundation made no political donations or incurred any political expenditure during the year (2022: none). As a registered charity, the Foundation is required to remain politically impartial in its work and funding.

## Subsequent Events

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

## Future Developments

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

## Foundation Objectives and Public Benefit

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

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

## Charity Governance Code

CIFF applies the majority of the principles in the Charity Governance Code (the "Code"). In some cases, including trustee engagement, decision-making and evaluation of charity impact, CIFF is in many ways exceeding the best practice stated in the Code. In other areas, such as equality, diversity and inclusion, CIFF has been undertaking a comprehensive assessment to help it build more effective practices to further its charitable purposes.

## Relevant Audit Information

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

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# Trustees' Responsibilities and Financial Statements

## Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the trustees' report which includes the strategic report and the financial statements in accordance with applicable law and regulations.

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

Under Company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources including its income and expenditure for that year. In preparing these financial statements, the trustees are required to:

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

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

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

## Independent Audit

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

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



On behalf of the Board  
Sir Christopher Hohn  
Chairman  
13 June 2024

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# Independent Auditor's Report to the members of the Children's Investment Fund Foundation (UK)





Photo Credit: Speak Up Africa



A Lymphatic Filariasis patient who was treated as a result of the ARISE programme in Burkin Faso.



KPMG

Audit  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

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

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of The Children's Investment Fund Foundation ('the Foundation') and its subsidiaries (collectively the 'Group') for the year ended 31 December 2023 set out on pages 45 to 84, which comprise the Consolidated Statement of Financial Activities, Consolidated and Foundation Balance Sheets, Consolidated Cash Flow Statement, and related notes, including the summary of significant accounting policies set out in note 2.

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

#### **In our opinion:**

- the financial statements give a true and fair view of the state of the Group and Foundation's affairs as at 31 December 2023 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### ***Basis for opinion***

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

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

#### ***Conclusions relating to going concern***

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

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

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

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

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

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



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

### ***Detecting irregularities including fraud***

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

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

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

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

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

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

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

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

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

### ***Other information***

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

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

### ***Opinions on other matters prescribed by the Companies Act 2006***

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

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

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

### ***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 36, 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](http://www.frc.org.uk/auditorsresponsibilities).

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

Our report is made solely to the Foundation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Foundation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Foundation's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Brian Clavin**  
**for and on behalf of**  
**KPMG,**  
Statutory Auditor  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

**14 June 2024**

# THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds US\$ '000	Restricted Funds US\$ '000	Expendable Endowment US\$ '000	Year ended 31 Dec 2023 Total US\$ '000
<b>Income from</b>					
Donations and legacies	3 and 21	160,000	50,748	-	210,748
Investments	4	-	-	87,976	87,976
<b>Total incoming resources</b>		<b>160,000</b>	<b>50,748</b>	<b>87,976</b>	<b>298,724</b>
<b>Expenditure on</b>					
Raising funds	4	12,071	-	-	12,071
Charitable activities	5	509,896	39,357	-	549,253
<b>Total resources expended</b>		<b>521,967</b>	<b>39,357</b>	<b>-</b>	<b>561,324</b>
Net gains on investments	14	-	-	1,017,077	1,017,077
Foreign Exchange gains	14	832	-	-	832
Exchange differences on translating foreign currency operations		-	-	3,524	3,524
<b>Net Income/(expenditure)</b>		<b>(361,135)</b>	<b>11,391</b>	<b>1,108,577</b>	<b>758,833</b>
Transfers	21	431,104	(5,361)	(425,743)	-
<b>Net movement in funds</b>		<b>69,969</b>	<b>6,030</b>	<b>682,834</b>	<b>758,833</b>
<b>Fund balances carried forward at 1 January 2023</b>		<b>914,321</b>	<b>8,227</b>	<b>4,036,114</b>	<b>4,958,662</b>
<b>Fund balances carried forward at 31 December 2023</b>		<b>984,290</b>	<b>14,257</b>	<b>4,718,948</b>	<b>5,717,495</b>

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

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

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

# THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds US\$ '000	Restricted Funds US\$ '000	Expendable Endowment US\$ '000	Year ended 31 Dec 2022 Total US\$ '000
<b>Income from</b>					
Donations and legacies	3 and 21	-	20,756	-	20,756
Investments	4	-	-	51,101	51,101
<b>Total incoming resources</b>		-	20,756	51,101	71,857
<b>Expenditure on</b>					
Raising funds	4	15,344	-	-	15,344
Charitable activities	5	473,057	17,554	-	490,611
<b>Total resources expended</b>		488,401	17,554	-	505,955
Net loss on investments	14	-	-	(477,397)	(477,397)
Foreign Exchange gains	14	(971)	-	-	(971)
Exchange differences on translating foreign currency operations		-	-	(10,014)	(10,014)
<b>Net Income/(expenditure)</b>		(489,372)	3,202	(436,310)	(922,480)
Transfers	21	452,840	(3,074)	(449,766)	-
<b>Net movement in funds</b>		(36,532)	128	(886,076)	(922,480)
<b>Fund balances carried forward at 1 January 2022</b>		950,853	8,099	4,922,190	5,881,142
<b>Fund balances carried forward at 31 December 2022</b>		914,321	8,227	4,036,114	4,958,662

The consolidated SOFA has been prepared on the basis that all activities are continuing.  
All gains and losses recognised in the year are included in the SOFA.  
The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

# THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

## CONSOLIDATED AND FOUNDATION BALANCE SHEET

### FOR THE YEAR ENDED 31 DECEMBER 2023

		Group 31 Dec 2023	Group 31 Dec 2022	Foundation 31 Dec 2023	Foundation 31 Dec 2022
	Notes	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Fixed Assets</b>					
Intangible assets	12	3,450	500	-	-
Tangible assets	13	7,865	9,327	796	1,114
Investments	14	5,889,987	5,118,867	6,309,877	5,210,881
<i>of which loans</i>		1,022,345	1,009,917	5,491,737	5,074,561
<i>of which other investments</i>		4,867,642	4,108,950	818,140	136,320
<b>Total fixed assets</b>		<b>5,901,302</b>	5,128,694	<b>6,310,673</b>	5,211,995
<b>Current Assets</b>					
Debtors	17	27,294	6,824	1,494	5,497
Cash at bank and in hand	18	96,896	181,738	62,820	62,752
Cash pledged as collateral	18	34,719	332	-	-
<b>Total current assets</b>		<b>158,909</b>	188,894	<b>64,314</b>	68,249
<b>Creditors:</b> amounts falling due within one year	19	<b>(263,731)</b>	(210,953)	<b>(579,502)</b>	(515,188)
<b>Net current assets/(liabilities)</b>		<b>(104,822)</b>	(22,059)	<b>(515,188)</b>	(108,061)
<b>Total Assets less current liabilities</b>		<b>5,796,480</b>	5,106,635	<b>5,795,485</b>	5,103,934
<b>Creditors:</b> amounts falling due after one year	20	<b>(78,985)</b>	(147,973)	<b>(75,800)</b>	(144,000)
<b>Net Assets</b>		<b>5,717,495</b>	4,958,662	<b>5,719,685</b>	4,959,934
<b>Total funds of the charity:</b>					
Expendable endowment fund	21	4,718,948	4,036,114	4,728,221	4,045,613
Restricted funds	21	14,257	8,227	7,174	-
Unrestricted funds:					
Designated funds	21	984,290	914,321	984,290	914,321
<b>Total charity funds</b>		<b>5,717,495</b>	4,958,662	<b>5,719,685</b>	4,959,934

The financial statements on pages 45 to 84 were approved by the Trustees and authorised for issue on 13 June 2024, and signed on their behalf by:



Sir Christopher Hohn  
Chairman  
13 June 2024

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

# THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK)

## CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 US\$ '000	31 Dec 2022 US\$ '000
<b>Net cash used in operating activities</b>	<b>(374,104)</b>	<b>(398,465)</b>
<b>Cash flow from investing activities:</b>		
Dividends received	65,238	41,527
Interest received	18,345	6,495
Rental income received	4,171	3,961
<b>Proceeds from the sale of:</b>		
Investments	1,793,745	1,651,849
<b>Purchase of:</b>		
Intangible assets	(2,950)	-
Tangible fixed assets	(21)	(1,543)
Investments	(1,593,223)	(1,534,945)
<b>Net cash used in investing activities</b>	<b>285,305</b>	<b>167,344</b>
<b>Cash flows from financing activities</b>		
Interest paid	(399)	(316)
<b>Net cash used in financing activities</b>	<b>(399)</b>	<b>(316)</b>
<b>Change in cash and cash equivalents in the reporting year</b>	<b>(89,198)</b>	<b>(231,437)</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<b>181,738</b>	<b>424,160</b>
<b>Effect of exchange rate movements on cash and cash equivalents</b>	<b>4,356</b>	<b>(10,985)</b>
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>96,896</b>	<b>181,738</b>

## Reconciliation of incoming resources to net cash flows

	31 Dec 2023 US\$ '000	31 Dec 2022 US\$ '000
<b>Net gain/(loss) for the reporting year (as per the statement of financial activities)</b>	<b>758,833</b>	<b>(922,480)</b>
Adjustments for:		
Net loss/(gain) on investments	(971,642)	663,350
Dividends income	(65,460)	(40,645)
Foreign exchange movements	(4,356)	10,985
Interest income on investments	(18,345)	(6,495)
Interest expense	551	1,005
Depreciation charges	1,483	1,450
Decrease/(Increase) in debtors	(24,419)	2,904
Decrease/(Increase) in cash pledged as collateral	(34,387)	14,438
(Decrease) in creditors	(16,362)	(122,977)
<b>Net cash used in operating activities</b>	<b>(374,104)</b>	<b>(398,465)</b>

The accounting policies and the notes on pages 49 to 84 form part of the Consolidated Financial Statements.

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# Notes to the Consolidated Financial Statements

## 1. BASIS OF PREPARATION

### a) Basis of accounting

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

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

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

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

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

### b) Functional currency and presentational currency

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

### c) Basis of consolidation

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

## 2. ACCOUNTING POLICIES

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

### a) Critical accounting estimates and judgements in applying accounting policies

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

## 2. ACCOUNTING POLICIES - continued

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

### b) New and amended standards and interpretations

There have been no adoptions of new or amended standards during 2023 that resulted in a significant impact to the Group's Financial Statements.

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

### c) Incoming resources

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

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

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

### d) Resources expended

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

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

	2023	2022
Climate Change	41.7%	48.4%
Sexual & Reproductive Health & Rights	23.7%	19.7%
Girl Capital	4.7%	3.2%
Child Health & Development	26.4%	24.4%
Cross Cutting	3.5%	4.3%

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

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

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

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## 2. ACCOUNTING POLICIES - continued

### e) Financial assets and liabilities

#### i.) Financial assets

##### **Initial recognition and measurement**

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

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

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

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

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

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

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

##### **Financial assets measured at amortised cost**

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

##### **Financial assets measured at fair value through profit or loss**

A financial asset is measured at FVPL if:

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

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

##### **Impairment of financial assets**

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

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## 2. ACCOUNTING POLICIES - continued

subject to an insignificant risk of changes in value and their carrying amounts approximate amortised cost. The loss allowance is based on lifetime expected credit losses. All material counterparties have an investment grade credit rating by Moody's/S&P of A1/A+ or higher and there is no history of defaults/non-payment and all receivables' balances are short term (<1 year).

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

### ***Derecognition of financial assets***

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

### ***ii.) Financial liabilities***

#### ***Initial recognition and measurement***

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

#### ***Financial liabilities measured at amortised cost***

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

#### ***Financial liabilities measured at fair value through profit or loss***

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

### **f) Investments**

#### ***Listed and unlisted securities***

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

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

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

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## 2. ACCOUNTING POLICIES - continued

### **Unfunded commitments**

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

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

### **Derivative contracts**

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

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

The Group enters into forward foreign exchange contracts. Forward foreign exchange contracts are fair valued on a daily basis using the forward contracted rate derived from readily available market data. When the contract is closed, the Group records realised gains/losses equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Forward foreign exchange contracts are fair valued using the forward contracted rate derived from readily available market data. As at 31 December 2023 the Group held forward foreign exchange contracts with an aggregate fair value and net liability position of US\$37,664k (2022: net asset position of US\$39,501k).

### **Investment funds**

The Group invests in investment funds ("Investee Funds") which are subject to the terms and conditions of the Investee Funds' offering documentation. The investment in the Investee Funds are primarily valued based on the latest available redemption price of such units for the Investee Fund, as determined by the administrator of the Investee Fund. Where a readily ascertainable market valuation is not available, the Investee Funds are valued at cost less any expected losses (see Note 14). When a share/unit is sold the Group recognises the realised gains/(losses). Other changes in fair value of the Investee Funds are recorded as unrealised gains/(losses). At 31 December 2023, the Group held investment fund positions of US\$107,057k (2022: US\$30k).

### **Investment property**

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

### **Leased assets**

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

### **Investments in subsidiaries**

Investments in subsidiaries are held at cost, less impairment in the Foundation's Balance Sheet, apart from the investment in CIFF Capital UK LP which is held at fair value.

### **Loans**

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

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## 2. ACCOUNTING POLICIES - continued

### **Programme related investments**

Programme related investments are a type of social investment and are made directly in pursuit of the Foundation's charitable purposes. The primary motivation for making a programme related investments is not for financial gain but to further our charitable objects. Programme related investments can generate some financial return, and the funding may or may not be provided on commercial terms. The current programme related investments portfolio consists of a number of fund and private placement investments which follow the respective investments accounting policy and as at 31 December 2023 amounted to US\$9,713k (2022: US\$12,053k).

### **Mixed motive investments**

Mixed motive investments are made in pursuit of the Foundation's charitable purposes and financial gains. The current mixed motive investment portfolio consists of a number of fund investments which follow the respective investments' accounting policy. Mixed motive investments as at 31 December 2023 amounted to US\$56,129k (2022: US\$46,417k).

### **g) Foreign currency translation**

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

The year end rate prevailing on the balance sheet date was US\$1 : £0.79 (2022: US\$1 : £0.83). For consolidation purposes, the balance sheets of subsidiaries reported in Pound Sterling currency ("GBP" or "£") have been converted into US dollar at the foreign exchange rate as at 31 December 2023. For all GBP reported profit and loss accounts of subsidiaries, the average foreign exchange rate for the relevant period has been applied at USD rate of US\$1 : £0.80 (2022: US\$1 : £0.81).

### **h) Intangible assets and amortisation**

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

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

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

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

### **i) Tangible fixed assets and depreciation**

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

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

### **j) Cash and cash equivalents**

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

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## 2. ACCOUNTING POLICIES - continued

### **k) Cash pledged as collateral**

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

### **l) Amounts due from/to brokers**

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

### **m) Debtors**

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

### **n) Creditors**

Amounts due to creditors are measured at the transaction price.

### **o) Funds**

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

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

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

### **p) Taxation**

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

### **q) Operating Leases**

The investment property was leased to tenants under operating leases with rentals payable monthly. The Group has also entered into an operating lease for plant and machinery for US\$nil consideration (2022: US\$nil).

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

### 3. DONATIONS AND LEGACIES

The income of US\$210,748k (2022: US\$20,756k) includes unrestricted donations from TCI FM of US\$160,000k (2022: US\$nil), restricted donations received from TCI FM of US\$45,387k (2022: US\$14,560k), the CH Foundation (UK) of US\$2,344k (2022: US\$2,854k), the Foreign, Commonwealth & Development Office (FCDO) of US\$3,017k (2022: US\$3,074k), the Department for Business, Energy and Industrial Strategy of US\$nil (2022: US\$247k) and other donations of US\$nil (2022: US\$21k).

### 4. INCOME FROM INVESTMENTS AND EXPENDITURE ON RAISING FUNDS

#### 4 (a) Income from investments

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

	<b>Group year ended 31 December 2023 US\$ '000</b>	<b>Group year ended 31 December 2022 US\$ '000</b>
Dividend income	<b>65,460</b>	40,645
Interest income	<b>18,345</b>	6,495
Rental income	<b>4,171</b>	3,961
	<b>87,976</b>	51,101

#### 4 (b) Expenditure on raising funds

The expenditure on raising funds of US\$12,071k (2022: US\$15,344k) includes expenditure relating to managing subsidiaries holding endowment investments including brokerage charges, intermediary fees and investment management fees.

## 5. EXPENDITURE ON CHARITABLE ACTIVITIES

	<b>Grant Funding of Activities 2023 <sup>(1)</sup> US\$ '000</b>	<b>Activities Undertaken Directly 2023 <sup>(2)</sup> US\$ '000</b>	<b>Support Cost 2023 <sup>(3)</sup> US\$ '000</b>	<b>Total Charitable Activities 2023 US\$ '000</b>
Climate Change	208,303	1,113	18,141	<b>227,557</b>
Sexual & Reproductive Health & Rights	118,514	533	10,038	<b>129,085</b>
Girl Capital	23,660	-	1,452	<b>25,112</b>
Child Health & Development	132,035	704	7,361	<b>140,100</b>
Cross Cutting <sup>(4)</sup>	17,502	2,309	7,588	<b>27,399</b>
	<b>500,014</b>	<b>4,659</b>	<b>44,580</b>	<b>549,253</b>

	<b>Grant Funding of Activities 2022 <sup>(1)</sup> US\$ '000</b>	<b>Activities Undertaken Directly 2022 <sup>(2)</sup> US\$ '000</b>	<b>Support Cost 2022 <sup>(3)</sup> US\$ '000</b>	<b>Total Charitable Activities 2022 US\$ '000</b>
Climate Change	214,939	1,227	18,168	<b>234,334</b>
Sexual & Reproductive Health & Rights	87,402	668	7,972	<b>96,042</b>
Girl Capital	14,337	60	1,372	<b>15,769</b>
Child Health & Development	108,698	-	6,483	<b>115,181</b>
Cross Cutting <sup>(4)</sup>	19,223	2,576	7,486	<b>29,285</b>
	<b>444,599</b>	<b>4,531</b>	<b>41,481</b>	<b>490,611</b>

(1) See note 7

(2) See note 6

(3) See note 8

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

## 6. ACTIVITIES UNDERTAKEN DIRECTLY

The direct expenditure of US\$4,659k (2022: US\$4,531k) on charitable activities was mainly to further the Foundation's mission; organising convenings and conferences; providing technical assistance and training to grantees and other charitable organisations; and publishing and disseminating reports on research findings.

## 7. GRANT FUNDING OF ACTIVITIES

Group and Foundation 2023	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
<b>Grantees receiving charitable grants</b>						
APCON Enterprises Limited	-	-	-	6,002	-	6,002
C40 Cities Climate Leadership Group Inc.	9,400	-	-	-	-	9,400
CAMFED International	-	-	14,500	-	-	14,500
Clean Air Fund	10,660	-	-	-	-	10,660
clientEarth	6,118	-	-	-	-	6,118
Dr. Reddy's Formulations Limited	-	15,800	-	-	-	15,800
END Fund	-	-	-	11,151	-	11,151
Energy Foundation China	12,990	-	-	-	-	12,990
European Climate Foundation	19,505	-	-	-	-	19,505
Food For Education	-	-	-	11,063	-	11,063
Foundation for International Law for the Environment	13,448	-	-	-	-	13,448
Global Fund to fight AIDS, Tuberculosis and Malaria	-	13,950	-	-	-	13,950
Instituto Clima e Sociedade	8,818	-	-	-	-	8,818
IPE Global Limited	-	-	1,864	3,718	-	5,582
Living Goods	-	-	-	7,405	-	7,405
Meliore	11,811	-	-	-	-	11,811
MSI Reproductive Choices	-	11,880	-	-	-	11,880
Orbis	-	-	-	6,693	-	6,693
PATH	-	4,362	-	1,544	-	5,906
Pfizer	-	6,770	-	-	-	6,770
PSI	-	6,605	1,843	-	-	8,448
Rockefeller Philanthropy Advisors, Inc	19,495	-	-	-	190	19,685
Tara Climate Foundation	7,730	-	-	-	-	7,730
The Sunrise Project	8,750	-	-	-	-	8,750
The World Bank Group	-	10,000	-	-	-	10,000
Triggerise	-	13,136	-	-	-	13,136
United Nations Children's Fund	-	-	2,406	21,511	-	23,917
United Nations Population Fund	-	5,125	-	-	-	5,125
William Marsh Rice University	-	-	-	11,625	-	11,625
World Resources Institute	9,957	-	-	-	-	9,957
World Vision Ethiopia	-	-	-	9,687	-	9,687
<sup>(1)</sup> Other Grantees	69,621	30,886	3,047	41,636	17,312	162,502
<b>Total charitable grants</b>	<b>208,303</b>	<b>118,514</b>	<b>23,660</b>	<b>132,035</b>	<b>17,502</b>	<b>500,014</b>

## 7. GRANT FUNDING OF ACTIVITIES – continued

Group and Foundation 2022	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
<b>Grantees receiving charitable grants</b>						
African Climate Foundation	6,205	-	-	-	-	6,205
Amref Health Africa	-	5,000	-	-	-	5,000
APCON Enterprises Limited	-	-	-	6,002	-	6,002
Clean Air Fund	4,353	-	-	-	-	4,353
ClientEarth	7,502	-	-	-	-	7,502
DKT International	-	4,792	-	-	-	4,792
END Fund	-	-	-	17,904	-	17,904
Energy Foundation China	7,300	-	-	-	-	7,300
European Climate Foundation	39,054	-	-	-	-	39,054
Foundation for International Law for the Environment	15,783	-	-	-	-	15,783
Global Fund to fight AIDS, Tuberculosis and Malaria	-	10,000	-	-	-	10,000
Instituto Clima e Sociedade	5,264	-	-	-	-	5,264
IPE Global Limited	-	-	814	3,218	-	4,032
Living Goods	-	-	-	5,167	-	5,167
MSI Reproductive Choices	-	22,364	-	-	-	22,364
Pfizer	-	11,805	-	-	-	11,805
PSI	-	7,064	4,529	-	-	11,593
Rockefeller Philanthropy Advisors, Inc	22,434	-	-	-	300	22,734
Sightsavers	-	-	-	5,607	-	5,607
Tara Climate Foundation	7,500	-	-	-	-	7,500
The Carter Center	-	-	-	5,000	-	5,000
The Sunrise Project	12,363	-	-	-	-	12,363
Triggerise	-	5,410	-	-	-	5,410
United Nations Children's Fund	-	-	-	9,880	-	9,880
Windward Fund	10,000	-	-	-	-	10,000
World Resources Institute	7,417	-	-	-	-	7,417
World Vision Ethiopia	-	-	-	17,120	-	17,120
<sup>(1)</sup> Other Grantees	69,764	20,967	8,994	38,800	18,923	157,448
<b>Total charitable grants</b>	<b>214,939</b>	<b>87,402</b>	<b>14,337</b>	<b>108,698</b>	<b>19,223</b>	<b>444,599</b>

<sup>(1)</sup> The grants included within 'Other grantees' for 2023 totalled less than US\$5.0m (2022: US\$4.0m) in value for each organisation.

## 8. ALLOCATION OF SUPPORT COSTS

	Climate Change US\$ '000	Sexual & Reproductive Health & Rights US\$ '000	Girl Capital US\$ '000	Child Health and Development US\$ '000	Cross Cutting US\$ '000	Total US\$ '000
<b>2023</b>						
<b>Support costs</b>						
Staff costs (Note 10)	12,617	7,045	909	4,664	6,464	<b>31,699</b>
Office expenses	2,605	1,477	293	1,636	228	<b>6,239</b>
Governance costs (Note 9)	207	118	23	131	17	<b>496</b>
Travel and subsistence	1,225	714	97	503	604	<b>3,143</b>
Consultancy and contractor costs	1,487	684	130	427	275	<b>3,003</b>
<b>Total support costs allocated to charitable activities</b>	<b>18,141</b>	<b>10,038</b>	<b>1,452</b>	<b>7,361</b>	<b>7,588</b>	<b>44,580</b>
<b>2022</b>						
<b>Support costs</b>						
Staff costs (Note 10)	12,591	5,564	964	4,111	5,974	<b>29,204</b>
Office expenses	2,930	1,177	193	1,460	274	<b>6,034</b>
Governance costs (Note 9)	258	105	17	130	23	<b>533</b>
Travel and subsistence	1,037	487	65	363	451	<b>2,403</b>
Consultancy and contractor costs	1,352	639	133	419	764	<b>3,307</b>
<b>Total support costs allocated to charitable activities</b>	<b>18,168</b>	<b>7,972</b>	<b>1,372</b>	<b>6,483</b>	<b>7,486</b>	<b>41,481</b>

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

## 9. GOVERNANCE COSTS

	Group year ended 31 December 2023 US\$ '000	Group year ended 31 December 2022 US\$ '000
Auditors' remuneration	<b>304</b>	270
Legal fees	<b>118</b>	177
Professional fees	<b>74</b>	86
	<b>496</b>	533

The auditors' remuneration, for the year ended 31 December 2023 is split between KPMG US\$247k (2022: US\$238k), S.P. Nagrath (India liaison office auditors) US\$13k (2022: US\$11k), Mazars (China office auditors) US\$9k (2022: US\$9k), MSE Auditors Partnership (Ethiopia office auditors) US\$11k (2022: US\$12k) and PKF (Kenya office auditors) US\$24k (2022: US\$0k). In 2023, PKF also provided tax advisory services of US\$16k (2022: US\$7k) and accountancy services of US\$13k (2022: US\$nil). No other assurance, tax advisory or finance services were provided by auditors during the year (2022: US\$nil).

## 10. STAFF COSTS

	Group and Foundation year ended 31 December 2023 US\$ '000	Group and Foundation year ended 31 December 2022 US\$ '000
Wages and salaries	26,134	23,726
Social security costs	2,061	1,899
Other pension costs	1,225	1,090
	<b>29,420</b>	26,715
Other staff costs	2,279	2,489
<b>Total staff costs</b>	<b>31,699</b>	29,204

The average monthly number of employees (based on the 12-month period) who were employed during the year totalled: 211 (2022: 195). The staff numbers were split between direct activities: 168 (2022: 156) and indirect support: 43 (2022: 39). The number of employees of the Group and Foundation whose remuneration paid in the financial year fell within the following bands were:

Total Remuneration Bandings	Group and Foundation 2023	Group and Foundation 2022
\$71k - \$85k	26	23
\$85k - \$99k	13	13
\$99k - \$113k	14	13
\$113k - \$127k	17	9
\$127k - \$141k	12	9
\$141k - \$155k	9	10
\$155k - \$169k	6	4
\$169k - \$183k	6	7
\$183k - \$197k	4	4
\$197k - \$211k	5	5
\$211k - \$225k	3	4
\$225k - \$239k	5	2
\$239k - \$254k	1	3
\$254k - \$268k	1	-
\$268k - \$282k	1	-
\$282k - \$296k	2	-
\$310k - \$324k	1	-
\$324k - \$338k	1	1
\$338k - \$352k	-	1
\$352k - \$366k	2	-
\$408k - \$423k	-	1
\$451k - \$465k	-	1
\$465k - \$479k	1	-
\$493k - \$507k	-	1
\$507k - \$521k	2	-
\$521k - \$535k	-	1
\$577k - \$591k	1	-

Charity SORP requires disclosure of the number of employees whose total employee benefit (excluding employer pension costs) exceeded £60k during the reporting period split in bands of £10k. The Foundation uses a functional and presentational currency of USD therefore a threshold of \$71k and bandings of \$14k have been used, which materially translate to the GBP SORP requirements. Salaries include benefits in kind and are paid in a number of currencies including GBP, which has been translated at the average rate of US\$1:£0.80 (2022: US\$1:£0.81).

The contributions in the year for the provision of a defined contribution pension scheme to employees of the Foundation were US\$1,225k (2022: US\$1,090k). The number of staff who were members of the scheme was 233 (2022: 219).

The Trustees did not receive any remuneration for their services during the year (2022: US\$nil). The Trustees did not receive any expense reimbursement during the year. In 2022, the Trustees' expenses reimbursed for travel and subsistence amounted to US\$12k and were related to one Trustee.

Remuneration of Key Management Personnel	31 December 2023	31 December 2022
	US\$'000	US\$'000
Executive Directors	3,389	3,205
Employer Pension Contributions	81	62
Employer National Insurance Contributions	329	345
<b>Total Consideration</b>	<b>3,799</b>	<b>3,612</b>

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

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

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

## 11. TAXATION

The Group Companies, CIFF Capital, CIFF Inv, CIFF II, CIFF III, CIFF IP, CIFF GP, CIFF Water, 86th LLP, 11th LLP, Chiswick and CIFF 265 did not realise any taxable profit in this financial year, therefore have no tax liability. The subsidiary company, Talos, incurred US\$5k (2022: US\$4k) of Irish corporation tax and US\$nil of withholding tax (2022: US\$nil). In 2023, the subsidiary company, CIFF II, did not incur any deferred tax (2022: US\$nil).

## 12. INTANGIBLE FIXED ASSETS

Group	31 December 2023	31 December 2022
	US\$ '000	US\$ '000
Cost brought forward	500	500
Additions during the year	2,950	-
<b>At year end</b>	<b>3,450</b>	<b>500</b>
Amortisation brought forward	-	-
Charge for the year	-	-
<b>At year end</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At year end</b>	<b>3,450</b>	<b>500</b>

The intangible asset continues to be under development and testing during 2023. As per FRS 102, no amortisation is recorded as the intangible asset is not ready for its intended use.

## 13. TANGIBLE FIXED ASSETS

Group	Machinery	Fixtures and Fittings	Total	Total
	31 December 2023 US\$' 000	31 December 2023 US\$' 000	31 December 2023 US\$' 000	31 December 2022 US\$' 000
Cost brought forward	9,148	3,032	12,180	10,637
Additions during the year	-	21	21	1,543
Disposals during the year	-	-	-	-
<b>At year end</b>	<b>9,148</b>	<b>3,053</b>	<b>12,201</b>	<b>12,180</b>
Depreciation brought forward	935	1,918	2,853	1,403
Charge for the year	1,144	339	1,483	1,450
Reversal on disposal	-	-	-	-
<b>At year end</b>	<b>2,079</b>	<b>2,257</b>	<b>4,336</b>	<b>2,853</b>
<b>Net book value</b>				
<b>At year end</b>	<b>7,069</b>	<b>796</b>	<b>7,865</b>	<b>9,327</b>

Foundation	Fixtures and Fittings	Fixtures and Fittings
	31 December 2023 US\$' 000	31 December 2022 US\$' 000
Cost brought forward	3,032	2,607
Additions during the year	21	425
Disposals during the year	-	-
<b>At year end</b>	<b>3,053</b>	<b>3,032</b>
Depreciation brought forward	1,918	1,403
Charge for the year	339	515
Reversal on disposal	-	-
<b>At year end</b>	<b>2,257</b>	<b>1,918</b>
<b>Net book value</b>		
<b>At year end</b>	<b>796</b>	<b>1,114</b>

## 14. INVESTMENTS

### Group Investments

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

<b>Group Financial Assets</b>	<b>Notes</b>	<b>31 December 2023</b> <b>US\$ '000</b>	<b>31 December 2022</b> <b>US\$ '000</b>
Equities		4,623,551	3,932,409
Investment funds	<b>14(d)</b>	107,057	30
Investment properties	<b>14(f)</b>	62,025	64,113
Mixed motive investments	<b>14(c)</b>	56,129	46,417
Programme related investments	<b>14(b)</b>	9,713	12,053
Forward foreign exchange contracts		9,167	53,928
		<b>4,867,642</b>	<b>4,108,950</b>
Loans and receivables		1,022,345	1,009,917
<b>Total Financial Assets</b>		<b>5,889,987</b>	<b>5,118,867</b>

<b>Group Financial Liabilities</b>	<b>Notes</b>	<b>31 December 2023</b> <b>US\$ '000</b>	<b>31 December 2022</b> <b>US\$ '000</b>
Forward foreign exchange contracts	<b>19</b>	46,834	14,430
<b>Total Financial Liabilities</b>		<b>46,834</b>	<b>14,430</b>

<b>Gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA</b>	<b>Year ended</b> <b>31 December 2023</b> <b>US\$ '000</b>	<b>Year ended</b> <b>31 December 2022</b> <b>US\$ '000</b>
Realised gains/(losses) on financial assets and liabilities	252,652	336,348
Unrealised gains/(losses) on financial assets and liabilities	764,425	(813,745)
Foreign exchange gains/(losses) on financial assets and liabilities	1,017,077	(477,397)
	832	(971)
<b>Total gains/(losses) recognised in relation to financial assets and liabilities at fair value through the SOFA</b>	<b>1,017,909</b>	<b>(478,368)</b>

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

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

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

The table below presents the movement of the group financial assets from the 31st of December 2021 to the 31st of December 2022:

Group	Fair value at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/22 US\$ '000	Cost at 31/12/22 US\$ '000
UK	382,446	19,556	(95,910)	(18,705)	287,387	363,515
Overseas	1,352,359	171,144	(629,443)	(48,916)	845,144	1,090,963
<b>Total unquoted</b>	<b>1,734,805</b>	<b>190,700</b>	<b>(725,353)</b>	<b>(67,621)</b>	<b>1,132,531</b>	<b>1,454,478</b>
UK	72,915	-	(66,114)	(6,801)	-	-
Overseas	4,091,401	1,344,245	(860,382)	(588,928)	3,986,336	3,919,158
<b>Total quoted</b>	<b>4,164,316</b>	<b>1,344,245</b>	<b>(926,496)</b>	<b>(595,729)</b>	<b>3,986,336</b>	<b>3,919,158</b>
<b>Total</b>	<b>5,899,121</b>	<b>1,534,945</b>	<b>(1,651,849)</b>	<b>(663,350)<sup>(1)</sup></b>	<b>5,118,867</b>	<b>5,373,636</b>

<sup>(1)</sup> The difference between total losses above of US\$663,350k and the SOFA loss of US\$478,368k, (sum of net losses on investments of US\$477,397k and foreign exchange losses of US\$971k) is due to the realised and unrealised gain on short forward foreign exchange contracts of US\$77,296k which are disclosed within creditors: amounts falling due within one year, interest on loans of US\$107,686k and foreign exchange movements on the cash balances held by the Group throughout the period as well as gains and losses incurred through the foreign exchange overlay.

## Foundation Investments

The table below presents the Foundation's investment composition:

	Note	31 December 2023 US\$ '000	31 December 2022 US\$ '000
Investment in subsidiaries	14(a)	752,286	77,820
Programme related investments	14(b)	9,713	12,053
Mixed motive investments	14(c)	56,129	46,417
Loan to subsidiary	14(e)	5,491,737	5,074,561
Investment funds	14(d)	12	30
<b>Total Financial Assets</b>		<b>6,309,877</b>	<b>5,210,881</b>

## Foundation – Investments Held at Fair Value

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

	Fair value at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/23 US\$ '000	Cost at 31/12/23 US\$ '000
UK	5,142,992	-	-	1,090,124	6,233,116	5,564,914
Overseas	58,500	6,763	(741)	1,332	65,854	162,321
<b>Total unquoted</b>	<b>5,201,492</b>	<b>6,763</b>	<b>(741)</b>	<b>1,091,456</b>	<b>6,298,970</b>	<b>5,727,235</b>

The table below presents the movement of the Foundation's investments held at fair value from the 31st of December 2021 to the 31st of December 2022:

	Fair value at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Investment gains/(losses) US\$ '000	Fair value at 31/12/22 US\$ '000	Cost at 31/12/22 US\$ '000
UK	6,687,229	-	(439,584)	(1,104,653)	5,142,992	5,564,914
Overseas	93,336	9,103	(5,610)	(38,329)	58,500	156,362
<b>Total unquoted</b>	<b>6,780,565</b>	<b>9,103</b>	<b>(445,194)</b>	<b>(1,142,982)</b>	<b>5,201,492</b>	<b>5,721,276</b>

## Foundation - Investments Held at Cost

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

	Cost at 31/12/22 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/23 US\$ '000
UK	9,389	1,518	-	10,907
<b>Total quoted</b>	<b>9,389</b>	<b>1,518</b>	<b>-</b>	<b>10,907</b>

The table below presents the movement of the Foundation's investments held at cost from the 31st of December 2021 to the 31st of December 2022:

	Cost at 31/12/21 US\$ '000	Additions US\$ '000	Disposals US\$ '000	Cost at 31/12/22 US\$ '000
UK	8,348	1,063	(22)	9,389
<b>Total quoted</b>	<b>8,348</b>	<b>1,063</b>	<b>(22)</b>	<b>9,389</b>

## 14. INVESTMENTS

### 14 (a) Investments in subsidiaries

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

Entity	Incorporated in	% Holding	Purpose	Profit/(loss) US\$ '000	
				2023	2022
Talos Capital Designated Activity Company ("Talos")	Ireland	100	(1)	13	7
CIFF Capital UK LP ("CIFF Capital")	England & Wales	100***	(2)	1,091,518	(418,176)
CIFF Investments LLP ("CIFF Inv")	England & Wales	100**	(3)	45,359	32,521
CIFF IP Co Limited ("CIFF IP")	England & Wales	100	(4)	(341)	(17)
CIFF Investments II Limited ("CIFF II")	England & Wales	100**	(5)	(7,964)	3,829
CIFF Investments III LLP ("CIFF III")*	England & Wales	100**	(6)	-	855
CIFF General Partner Limited ("CIFF GP")	England & Wales	100	(7)	-	-
CIFF Water Limited ("CIFF Water")	England & Wales	100	(8)	(1,170)	(963)
86th Street Lender LLP ("86th LLP")	England & Wales	100**	(9)	1,128	(94)
11th Avenue Lender LLP ("11th LLP")	England & Wales	100**	(10)	25	(194)
Chiswick Riverside LLP ("Chiswick")	England & Wales	98	(11)	(423)	3,289
CIFF 265 East 66 Limited ("CIFF 265")	England & Wales	100**	(12)	(13)	-

\* In liquidation  
 \*\* Indirect holdings  
 \*\*\* Economic entitlement only

- (1) Talos holds an underlying investment portfolio on trust for CIFF Capital that is managed to provide the Foundation with an investment return. At 31 December 2023, its total assets amounted to US\$32,209k (2022: US\$9,916k), total liabilities amounted to US\$32,170k (2022: US\$9,889k), and net assets amounted to US\$39k (2022: US\$27k).
- (2) CIFF Capital (Limited Partnership Number LP019223) was formed by limited partnership deed between the Foundation, TCI General Partner Limited and TCI Fund Management Limited. It has been established to hold investment assets for the Foundation. At 31 December 2023, its total assets amounted to US\$5,814,217k (2022: US\$5,109,396k), total liabilities amounted to US\$59,649k (2022: US\$31,295k) and net assets amounted to US\$5,754,568k (2022: net asset of US\$5,078,101k).
- (3) CIFF Inv is a limited liability partnership between CIFF Capital and CIFF II that hold certain assets from the investment portfolio.
- (4) CIFF IP holds licenses to intellectual property rights in support of the charitable activities of the Foundation.
- (5) CIFF II holds certain assets from the investment portfolio. CIFF Inv is also a non-participating member in CIFF Inv, CIFF III, 86th LLP and 11th LLP.
- (6) CIFF III is a limited liability partnership between CIFF Capital and CIFF II to hold assets from the investment portfolio. In August 2022, it was placed into dissolution, and on 2 January 2024, it was dissolved.
- (7) CIFF GP is a wholly owned limited company of the Foundation and the general partner of CIFF Capital.
- (8) CIFF Water Limited is wholly owned subsidiary of the Foundation. The principal activity of CIFF Water is to purchase and lease assets to support charitable activities.
- (9) 86th LLP is a limited liability partnership between CIFF Capital and CIFF II. On 10 March 2022, 86th LLP disposed of its sole privately placed loan investment, and as at 31 December 2023 retains an outstanding claim against the Guarantors of the loan and therefore remains a going concern.
- (10) 11th Ave is a limited liability partnership between CIFF Capital and CIFF II which previously held an interest in an endowment asset from CIFF Capital that was disposed of in 2021. The LLP has been named in a legal action along with a number of other defendants.
- (11) Chiswick is a limited liability partnership between the Foundation and The CH Foundation (UK) and holds a UK investment property.
- (12) CIFF 265 is a private company with limited liability incorporated in England and Wales on 1 February 2023.

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#### **14 (b) Programme Related Investments**

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

The Foundation invested US\$0.1m (2022: US\$0.3m) in programme related investment funds during the year. These investments support the charitable objectives of the Foundation. The Foundation committed US\$23.8m, of which US\$0.2m (2022: US\$0.3m) remains outstanding to be drawn down as at 31 December 2023.

#### **14 (c) Mixed Motive Investments**

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

The Foundation invested US\$10.6m (2022: US\$10.7m) towards Mixed motive investments in funds. The Foundation's MMIs invest in early-stage companies that have the potential and the high-level ability to address global health challenges along with climate and food and nutrition issues which are consistent with the charity's objectives. The Foundation committed US\$76.0m (2022: US\$76.0m) towards mixed motive investments, of which US\$21.9m (2022: US\$32.8m) remains outstanding to be drawn down as at 31 December 2023.

#### **14 (d) Investment Funds**

As at 31 December 2023, unquoted investments of US\$12k (2022: US\$30k) included an investment fund investing in developing properties in India, which was written down to US\$nil during 2022. The properties are being constructed for sale.

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

Unquoted investments also comprised US\$12k (2022: US\$30k) of investments in underlying assets held with an unquoted investment fund. The investments are held at market value based on the valuation report supplied by the investment fund as at 31 December 2023 with any gains and losses being taken to the SOFA.

#### **14 (e) Loans to subsidiary**

The Foundation holds a loan US\$5.49 billion (2022: US\$5.07 billion) to CIFF Capital. The Foundation is the sole limited partner of CIFF Capital and is the only partner entitled to any return from, or share in the investment assets of CIFF Capital.

#### **14 (f) Investment Properties**

For the year ended 31 December 2023, Knight Frank LLP was engaged to provide an independent valuation of the investment property. The valuation methodology adopted by Knight Frank LLP was based on a collation and analysis of appropriate comparable transactions, together with evidence of demand within the vicinity of the investment property, taking into account size, location, aspect and other material factors impacting the investment property's valuation. The valuation was undertaken in accordance with the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. Following the independent valuation of the investment property as at 31 December 2023, an unrealised loss of US\$5,375,000 was recognised in the statement of financial activities.

## 15. KEY INVESTMENTS AND UNCERTAINTIES

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

The following table presents additional information about valuation techniques and significant unobservable inputs used for unlisted assets and liabilities, which are measured at fair value, as at 31 December 2023 and as at 31 December 2022:

### 31 December 2023

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

### 31 December 2022

Asset category	Valuation method	Fair value at 31 December 2022 US\$ '000	Significant unobservable input	Average) for unobservable input	Significant unobservable input
Loans	Discounted cash flow	1,009,917	Discount rate	6.86% to 17.71%	An increase in the discount rate would result in a lower fair value

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

The income approach provides an estimation of the fair value of an investment based on expectations about the cash flows that the investment would generate over time. The Group used the yield calibration method to derive the discount rates of the loan investments. In applying the Yield calibration method, discount rate is determined by first estimating the implied yield-to-maturity, yield-to-exit, or yield-to-worst as of the latest date where the loan investment was involved in an arm's length transaction (the "Transaction Date"). The yield as of the Transaction Date provides an observable measurement of compensation a market participant requires to hold a security. Qualifying transactions often consist of: (1) the initial primary market transaction, (2) secondary transactions and (3) amendments where the investment was re-priced. In addition, inputs used under the yield calibration method include assessment of the credit spread of comparable securities and indices and changes in credit quality of the borrower as at 31 December 2022 and 2023.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The Group believes that use of different methodologies or assumptions in determining the fair value of the above financial instruments would result to immaterial changes in fair value.

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

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## 16. FINANCIAL RISK MANAGEMENT

### Principles of Risk Management

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

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

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

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

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

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

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

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

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

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

## Market Risk

### (a) Price risk

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

The Group's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the directors of the General Partner of 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. The Investment Programme seeks to manage the Group's exposure to price risk by analysing the investment portfolio by industrial sector.

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

Sector	% of Reference NAV	
	31 December 2023	31 December 2022
Industrials	52.1%	41.7%
Real estate loans	19.0%	19.3%
Financials	14.9%	13.2%
Information technology	2.9%	14.4%
Other	10.7%	8.4%
	<b>99.6%</b>	<b>97.0%</b>

The paragraph below summarises the sensitivity of the Group's equity (the "Equity Investments") to equity price movements, derived by regressing the daily returns of the Group's Equity Investments against the daily returns of the MSCI World Equity Index including net dividends reinvested (the "Index") (Bloomberg ticker "NDDUWI"), and including the effect of movements in foreign currency exchange rates on equity prices, as at 31 December 2023 and 31 December 2022.

The analysis uses the arithmetic mean of the absolute one year moves of the Index aligned with the Group's financial year as an estimate for the reasonably possible annual move in global equity prices. For 31 December 2023 this is 11.53% (2022: 21.09%). This represents the best estimate of a reasonable possible shift in the Index over a period of one year, having regard to the historical volatility of the index. As at 31 December 2023, the exposure of the Group to Equity Investments was US\$4,623,551k (2022: US\$3,932,409k).

In 2023, the beta of the Group's Equity Investments against movements in the Index was 0.70 (2022: 0.63). The figures below give an estimation of a reasonable possible change in the fair value of the Group's Equity Investments over the period of one year, using the beta value stated above.

	<b>2023</b>	<b>2022</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Predicted effect on the Group's Equity Investments of an increase in the index	372,450	522,444
Predicted effect on the Group's Equity Investments of a decrease in the index	(372,450)	(522,444)

The Index has been used as the reference point in determining the effect of price risk only. The Investment Manager does not manage the Group's investment strategy to track this index or any other index or external benchmark. The sensitivity analysis presented is based upon the Equity Investments composition as at 31 December 2023 and 31 December 2022 and the historical correlation of the returns from the securities comprising the Equity Investments to the Index returns. The composition of the Group's Equity Investments, and the correlation thereof to the Index, is expected to change over time. The sensitivity analysis prepared as at 31 December 2023 and 31 December 2022 is not necessarily indicative of the effect on the Group's investments of future movements in the level of the Index.

#### **(b) Foreign currency risk**

The Group operates internationally and holds both monetary and non-monetary assets denominated in currencies other than its functional currency, the US dollar. Foreign currency risk as defined, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The table below shows the concentration of assets and liabilities denominated in currencies other than the US dollar at 31 December 2023 and 2022 and has been analysed between monetary and non-monetary items.

<b>31 December 2023</b>		<b>Non</b>	<b>Currency</b>	<b>Net</b>
<b>Currency</b>	<b>Monetary</b>	<b>Monetary</b>	<b>forward</b>	<b>exposure</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>	<b>US\$ '000</b>
Canadian Dollar	589	748,016	(567,015)	181,590
Chinese Renminbi	-	-	(5,902)	(5,902)
Ethiopian Birr	74	-	-	74
Euro	252,786	2,111,196	(1,413,649)	950,333
Indian Rupee	1,112	-	-	1,112
Kenyan Shilling	494	-	-	494
Pound Sterling	3,528	-	(224,281)	(220,753)
Swiss Franc	358	-	(20,994)	(20,636)
Poland Zloty	-	-	(57,912)	(57,912)

31 December 2022		Non	Currency	Net
Currency	Monetary	Monetary	forward	exposure
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Canadian Dollar	617	705,903	(546,754)	159,766
Chinese Renminbi	324	-	-	324
Ethiopian Birr	7	-	-	7
Euro	231,396	1,541,017	(1,214,681)	557,732
Indian Rupee	623	-	-	623
Kenyan Shilling	167	-	-	167
Pound Sterling	98,655	-	(280,894)	(182,239)
Swiss Franc	326	-	(14,843)	(14,517)
Poland Zloty	-	-	(43,995)	(43,995)

The following table shows the 260 day historical volatility rates between the US dollar and a range of currencies. These rates provide a best estimate of a potential move in the exchange rate over a period of 12 months as at the statement of financial position date.

Historical volatility rates	2023	2022
	%	%
Canadian Dollar	6.15	8.37
Chinese Renminbi	5.18	-
Ethiopian Birr	3.19	-
Euro	7.55	10.06
Indian Rupee	3.17	5.22
Japanese Yen	-	12.08
Kenyan Shilling	2.30	1.28
Pound Sterling	8.28	12.49
Swiss Franc	7.88	9.35
Poland Zloty	10.96	15.46

The following table summarises the amount of the increase/(decrease) in net assets arising from an increase/ (decrease) of the exchange rate in line with the above volatility rates, with all other variables held constant. The analysis below presents the changes in net assets for each currency in their absolute values.

Change in net assets	2023	2022
	US\$ '000	US\$ '000
Canadian Dollar	11,168	13,372
Chinese Renminbi	(306)	-
Ethiopian Birr	2	-
Euro	71,750	56,108
Indian Rupee	35	33
Kenyan Shilling	11	2
Pound Sterling	(18,278)	(22,762)
Swiss Franc	(1,626)	(1,357)
Poland Zloty	(6,347)	(6,802)

## (b) Foreign currency risk(continued)

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

## (c) Interest rate risk

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

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

The following table summarises the Group's exposure to interest rates. It includes the Groups asset and liabilities, categorised by the earlier of contractual re-pricing and maturity dates. The sensitivity analysis presented is based upon the composition of the Group's asset and liabilities at 31 December 2023 and 31 December 2022 and is not necessarily indicative of the effect on the Group's asset and liabilities of future movement in interest rates.

<b>31 December 2023</b>	<b>&lt; 3 months</b> <b>US\$ '000</b>	<b>3 months</b> <b>- 1 year</b> <b>US\$ '000</b>	<b>&gt; 1</b> <b>year</b> <b>US\$ '000</b>	<b>Non-</b> <b>interest rate</b> <b>sensitive</b> <b>US\$ '000</b>	<b>Non-</b> <b>interest</b> <b>bearing</b> <b>US\$ '000</b>	<b>Total</b> <b>US\$ '000</b>
Cash at bank and in hand	96,896	-	-	-	-	<b>96,896</b>
Cash pledged as collateral	34,719	-	-	-	-	<b>34,719</b>
Investment assets/(liabilities)	-	-	-	1,022,345	4,867,642	<b>5,889,987</b>

<b>31 December 2022</b>	<b>&lt; 3 months</b> <b>US\$ '000</b>	<b>3 months</b> <b>- 1 year</b> <b>US\$ '000</b>	<b>&gt; 1</b> <b>year</b> <b>US\$ '000</b>	<b>Non-</b> <b>interest rate</b> <b>sensitive</b> <b>US\$ '000</b>	<b>Non-</b> <b>interest</b> <b>bearing</b> <b>US\$ '000</b>	<b>Total</b> <b>US\$ '000</b>
Cash at bank and in hand	181,738	-	-	-	-	<b>181,738</b>
Cash pledged as collateral	332	-	-	-	-	<b>332</b>
Investment assets/(liabilities)	-	-	-	1,009,917	4,108,950	<b>5,118,867</b>

## Credit risk

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

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

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

## Loans

At 31 December 2023, the Group held investments in loans valued at US\$1,022,345k (2022: US\$1,009,917k). The key risk relating to each of these loans is the possibility that the borrower will not repay the interest and principal relating to the loan in full. To protect the Group against this possibility of default, security is sought from the borrower over assets worth more than the value of the loan outstanding. This security normally takes the form of prime real estate assets in developed markets. The Group monitors the value of the assets pledged as security by engaging independent experts to provide valuations on the assets on a periodic basis and considers metrics such as loan-to-value or loan-to-commitment ratio.

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

The Group is also protected by covenants built into its loan agreements which require immediate repayment in the event that the borrower breaches certain covenants. These are agreed on a loan-by-loan basis at the origination of each deal and may include metrics such as loan-to-value ratio, interest cover and other performance based metrics. As of 31 December 2023, the borrowers under a privately placed loan investment held by a CIFF subsidiary was in breach of its loan covenants (2022: one loan). The subsidiary has reserved its rights against the borrower with regard to the breaches, and has chosen not to accelerate the loan but will continue to work with the borrower in order to allow for the ongoing sale of residential units and the resulting pay-down of the loan.

The privately placed loan investment held by 86th Street Lender LLP was disposed on 10 March 2022. As a result of this disposal, on 10 March 2022, CIFF Capital received a distribution of US\$56,505,602. There is a claim against the guarantors for the remaining amount. During 2023, 86th Street Lender LLP received US\$2,566,897 against its recognised claim against the guarantors and distributed it to CIFF Capital.

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

### Counterparty credit risk

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

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

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

The analysis below summarises the Group's exposure by counterparty credit rating at 31 December 2022:

Counterparty	Credit rating at 31 December 2022		Credit exposure	% of Assets
	(Moody's)	(S&P)	31 December 2022 US\$ '000	
HSBC Bank Plc	A1	A+	159,138	2.99%
JP Morgan Chase	Aa2	A+	25,017	0.47%
UBS AG	Aa3	A+	54	-
ABSA Group Limited	Ba3	zaAA	167	-
Citoo Bank Nederland NV	N/A	N/A	217	-
Awash Bank	N/A	N/A	22	-
			<b>184,615</b>	<b>3.46%</b>

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

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

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

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

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

The Group has appointed HSBC Bank plc ("HSBC") as custodian and prime broker and provider of other services (including financing) under the terms of the HSBC Prime Custody Agreement. HSBC will act as banker, custodian and prime broker of the cash and securities delivered to HSBC and will be responsible for receipt and disbursement of cash on behalf of the Group, for the receipt and safe custody and registration of securities of the Group and for the transfer of securities for the Group. The Group has both a custody and collateral account with HSBC. HSBC will also provide financing and securities lending to the Group pursuant to the HSBC Prime Custody Agreement. The collateral required to support any financing, securities lending or other exposure of HSBC to the Group will be held in the collateral account with HSBC in the name of the Group. At 31 December 2023, 99% (2022: 98%) of cash and cash pledged as collateral and investments were placed in custody with HSBC.

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

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

## Liquidity risk

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

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

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

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

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

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

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

Group	Less than 1 month US\$ '000	1 to 3 months US\$ '000	3 months to 1 year US\$ '000	1 to 5 years US\$ '000	More than 5 years US\$ '000	Total US\$ '000
<b>31 December 2022</b>						
Creditors: amounts falling due within one year	172,647	3,032	35,274	-	-	210,953
Creditors: amounts falling due in more than one year	-	-	-	147,973	-	147,973
<b>Total liabilities</b>	<b>172,647</b>	<b>3,032</b>	<b>35,274</b>	<b>147,973</b>	<b>-</b>	<b>358,926</b>

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

## Unfunded commitments

As disclosed in Note 14, the Group has invested in loans and securities which incorporate an unfunded commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total unfunded commitments as at 31 December 2023 have been estimated as US\$564,215k (2022: US\$462,973k).

## 17. DEBTORS

	<b>Group</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Group 31 Dec 2022 US\$ '000	<b>Foundation</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Foundation 31 Dec 2022 US\$ '000
Dividends receivable	956	734	-	-
Amounts due from brokers	16,621	3,790	-	-
Other debtors	8,482	1,478	656	496
Amounts due from related parties	-	-	-	4,540
Prepayments	1,235	822	838	461
<b>Total</b>	<b>27,294</b>	<b>6,824</b>	<b>1,494</b>	<b>5,497</b>

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

## 18. CASH AT BANK AND IN HAND

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

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

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

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

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

The following table shows the breakdown of the amounts with custodians and other counterparties as at 31 December 2022:

Group	Cash at bank and in hand 31 Dec 2022 US\$ '000	Cash pledged as collateral 31 Dec 2022 US\$ '000	Cash and cash equivalents 31 Dec 2022 US\$ '000	Amounts due from brokers 31 Dec 2022 US\$ '000	Amounts due to brokers 31 Dec 2022 US\$ '000	Net counterparty position 31 Dec 2022 US\$ '000
<b>Custodian and prime broker</b>						
HSBC Bank Plc	156,261	332	156,593	3,790	(1,245)	159,138
<b>Other counterparties</b>						
JP Morgan Chase	25,017	-	25,017	-	-	25,017
UBS AG	54	-	54	-	-	54
ABSA Group Limited	167	-	167	-	-	167
Citico Bank Nederland NV	217	-	217	-	-	217
Awash	22	-	22	-	-	22
<b>Total</b>	<b>181,738</b>	<b>332</b>	<b>182,070</b>	<b>3,790</b>	<b>(1,245)</b>	<b>184,615</b>

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

Foundation	Cash and cash equivalents 31 Dec 2023 US\$ '000	Cash and cash equivalents 31 Dec 2022 US\$ '000
HSBC Bank plc	40,062	42,942
JP Morgan Chase	22,196	19,623
ABSA Bank	494	167
Awash Bank	68	20
	<b>62,820</b>	<b>62,752</b>

## 19. CREDITORS: amounts falling due within one year

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Amounts due to brokers	-	1,245	-	-
Grants	149,980	158,886	149,980	158,886
Creditors	3,946	6,399	944	683
Loan collateral	31,991	-	-	-
Intercompany creditors	-	-	415,995	5,433
Derivative financial instrument liabilities	46,834	14,430	-	-
Accruals and deferred income	30,804	29,880	12,407	11,195
Taxes and social security costs	176	113	176	113
	<b>263,731</b>	<b>210,953</b>	<b>579,502</b>	<b>176,310</b>

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

## 20. CREDITORS: amounts falling due after one year

	Group 31 Dec 2023 US\$ '000	Group 31 Dec 2022 US\$ '000	Foundation 31 Dec 2023 US\$ '000	Foundation 31 Dec 2022 US\$ '000
Creditors payable between 1 and 2 years	78,185	75,973	75,000	72,000
Creditors payable between 2 and 5 years	800	72,000	800	72,000
Creditors payable after 5 years	-	-	-	-
	<b>78,985</b>	<b>147,973</b>	<b>75,800</b>	<b>144,000</b>

## 21. MOVEMENT IN FUNDS

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

Group	Balance as at 31 Dec 2022 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds <sup>2</sup> US\$ '000	Balance as at 31 Dec 2023 US\$ '000
Unrestricted: <sup>(1)</sup>								
Income funds	-	160,000	(521,967)	-	832	-	361,135	-
Designated funds	914,321	-	-	-	-	-	69,969	984,290
Restricted income funds	8,227	50,748	(39,357)	-	-	-	(5,361)	14,257
Expendable endowment fund	4,036,114	87,976	-	1,017,077	-	3,524	(425,743)	4718,948
<b>Total funds</b>	<b>4,958,662</b>	<b>298,724</b>	<b>(561,324)</b>	<b>1,017,077</b>	<b>832</b>	<b>3,524</b>	<b>-</b>	<b>5,717,495</b>

Group	Balance as at 31 Dec 2021 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/ (losses) US\$ '000	Exchange difference reserve US\$ '000	Transfer between funds <sup>2</sup> US\$ '000	Balance as at 31 Dec 2022 US\$ '000
Unrestricted: <sup>(1)</sup>								
Income funds	-	-	(488,401)	-	(971)	-	489,372	-
Designated funds	950,853	-	-	-	-	-	(36,532)	914,321
Restricted income funds	8,099	20,756	(17,554)	-	-	-	(3,074)	8,227
Expendable endowment fund	4,922,190	51,101	-	(477,397)	-	(10,014)	(449,766)	4,036,114
<b>Total funds</b>	<b>5,881,142</b>	<b>71,857</b>	<b>(505,955)</b>	<b>(477,397)</b>	<b>(971)</b>	<b>(10,014)</b>	<b>-</b>	<b>4,958,662</b>

(1) Reserves retained by subsidiary undertakings and general unrestricted funds are disclosed in total in the tables above and total US\$126,712k (2022: US\$155,423k).

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

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

Foundation	Balance as at 31 Dec 2021 US\$ '000	Incoming Resources US\$ '000	Resources Expended US\$ '000	Investment gains/(losses) US\$ '000	FX gains/(losses) US\$ '000	Transfer between funds US\$ '000	Balance as at 31 Dec 2022 US\$ '000
Unrestricted							
Income funds	-	30,861	(474,453)	-	(1,118)	444,710	-
Designated funds	950,853	-	-	-	-	(36,532)	<b>914,321</b>
Restricted income funds	-	20,756	(17,554)	-	-	(3,202)	-
Expendable endowment fund	4,930,877	-	-	(480,288)	-	(404,976)	<b>4,045,613</b>
<b>Total funds</b>	<b>5,881,730</b>	<b>51,617</b>	<b>(492,007)</b>	<b>(480,288)</b>	<b>(1,118)</b>	<b>-</b>	<b>4,959,934</b>

As at 31 December 2023, the Trustees have allocated US\$984,290k (2022: US\$914,321k) of reserves as designated funds which represents funds that may be called upon to be disbursed to multi-year programmes.

## 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The table below presents the allocation of the group balance sheet across the three different categories of funds. For further details of the funds, refer to page 36.

	Expendable Endowment US\$ '000	Unrestricted Funds-Designated US\$ '000	Restricted Funds US\$ '000	Total 31 Dec 2023 US\$ '000	Total 31 Dec 2022 US\$ '000
Intangible assets	-	3,450	-	<b>3,450</b>	500
Tangible assets	-	796	7,069	<b>7,865</b>	9,327
Investments	4,387,567	1,495,232	7,188	<b>5,889,987</b>	5,118,867
Other assets	94,595	64,314	-	<b>158,909</b>	188,894
Liabilities	236,786	(579,502)	-	<b>(342,716)</b>	(358,926)
	<b>4,718,948</b>	<b>984,290</b>	<b>14,257</b>	<b>5,717,495</b>	<b>4,958,662</b>

## 23. COMMITMENTS

At 31 December 2023, the Group had outstanding commitments of US\$22,098k (2022: US\$32,756k) in relation to the unquoted investments held within the investment portfolio.

The Group has also invested in loans which incorporate an uncertain commitment that it may be obliged to pay at a future date. The likelihood that these commitments are paid by the Group is unknown at the balance sheet date. The total uncertain commitments as at 31 December 2023 have been estimated as US\$564,215k (2022: US\$462,973k).

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

## 24. OPERATING LEASES

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

	<b>Group</b> <b>Year ended</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Group Year ended 31 Dec 2022 US\$ '000	<b>Foundation</b> <b>Year ended</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Foundation Year ended 31 Dec 2022 US\$ '000
Rent	<b>1,634</b>	1,588	<b>1,628</b>	1,583

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

	<b>Group</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Group 31 Dec 2022 US\$ '000	<b>Foundation</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Foundation 31 Dec 2022 US\$ '000
Land and Building				
Less than one year	<b>1,322</b>	1,337	<b>1,316</b>	1,331
Between one and five years	<b>2,181</b>	3,681	<b>2,181</b>	3,675
More than five years	-	-	-	-
	<b>3,503</b>	5,018	<b>3,497</b>	5,006

Includes a commitment under an operating lease with TCI Fund Management (UK) Limited to pay rentals during the period following the period of these accounts of US\$692k (2022: US\$683k) and US\$1,787k between one and five years following the period of these accounts (2022: US\$2,449k).

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

	<b>Group</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Group 31 Dec 2022 US\$ '000	<b>Foundation</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Foundation 31 Dec 2022 US\$ '000
Rental income	<b>4,171</b>	3,961	-	-

The Group is a lessor of UK investment property. The total non-cancellable future minimum lease payments expected to be received are:

	<b>Group</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Group 31 Dec 2022 US\$ '000	<b>Foundation</b> <b>31 Dec 2023</b> <b>US\$ '000</b>	Foundation 31 Dec 2022 US\$ '000
Less than one year	<b>4,333</b>	3,965	-	-
Between one and five years	<b>17,768</b>	16,262	-	-
More than five years	<b>34,742</b>	36,282	-	-
	<b>56,843</b>	56,509	-	-

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

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## 25. RELATED PARTIES

### Investment Manager

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

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

In 2023, the Group invested in a private investment partnership ("PIP") and has appointed TCI Fund Management Limited as its investment manager. The Investment Manager does not charge a management fee to the Group for its services to the PIP. Any carry payable by the Group in connection with its investment in the PIP will be payable to an affiliate of AVE Capital Limited (see 'Intermediary' below). As at 31 December 2023, the Group's share in PIP is fair valued at US\$107,045k (31 December 2022 : US\$nil) and disclosed in note 14 as 'Investment funds'.

During 2023, an amount of US\$953k (2022: US\$918k) was charged to entities within the Group from TCI FM, in relation to expenses incurred by TCI FM on behalf of the CIFF Group investment portfolio, mainly consisting of research fees incurred by TCI FM for the benefit of CIFF with third parties, no amounts remained payable as at 31 December 2023 (2022: US\$65k).

Furthermore, for the year ended 31 December 2023 CIFF was also charged US\$996k (2022: US\$1,004k) by TCI's holding company, TCI Fund Management (UK) Limited, in respect of rent and associated property costs, of which US\$502k remained payable as at 31 December 2023 (2022: US\$248k).

### Donations

During 2023, TCI FM made restricted donations of US\$45,387k (2022: US\$14,560k) to support the charitable activities of the Foundation. As at 31 December 2023, TCI FM had committed additional restricted funding of US\$34,961k (2022: US\$25,704k) to be paid in future years. TCI FM also made unrestricted donations of US\$160m (2022: US\$nil) during 2023, and have agreed to donate US\$160m unrestricted funding to be paid in 2024.

Sir Christopher Hohn is also the founder and trustee of the CH Foundation (UK) which during 2023 made restricted donations to the Foundation of US\$2,344k (2022: US\$2,854k). As at 31 December 2023, the CH Foundation (UK) had committed additional restricted funding of US\$3,912k (2022: US\$6,256k) to be paid in future years.

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

### Subsidiary director fees

During the year, directors' fees of US\$15k (2022: US\$14k) for Jackie Gilroy were charged to Talos, and fees of US\$167k (2022: US\$135k) for Jackie Gilroy, Sonia Gogna, William Gourlay, Jonathan Watts and Tristan van der Vijver were charged to CIFF GP. No other directors of CIFF subsidiaries were entitled to fees.

### Common trustees

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

### Other transactions with Group companies

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

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## 26. SERVICE PROVIDERS

### Administrator

Group entities have entered into administration agreements with the Administrator, Citco Fund Services (Ireland) Limited. The Administrator receives from Group entities a monthly administration fee which is calculated as a percentage of Adjusted Assets on a sliding scale. The total administration fee for the year was US\$1,953k (2022: US\$1,941k), of which US\$169k (2022: US\$155k) was payable at year end.

### Custodian and Prime Broker

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

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

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

### Intermediary

AVE Capital Limited (AVE) is engaged to provide intermediary services in relation to bringing together CIFF Capital and other CIFF subsidiaries, as the lending party, with third parties, as the borrowing parties, in potential real estate debt transactions pursuant to the terms of an intermediary services agreement signed in October 2020. None of TCI FM, Christopher Hohn or any other parties related to them have any financial interest in AVE. Group entities pay fees to AVE Capital Limited in relation to the intermediary services (the Intermediation Fee). The total Intermediation Fee charged to the SOFA for the year was US\$3,001k (2022: US\$6,285k), with US\$21,530k payable as at 31 December 2023 (2022: US\$22,548k).

### Investment Manager

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

## 27. POST BALANCE SHEET EVENTS

Based on reporting from the investment manager in accordance with the investment management arrangements, the Trustees have become aware of a legal action being taken against (among others) two subsidiaries in the CIFF Group. Whilst the Trustees have not received direct notification of the legal action (as the charity is not named), in accordance with the investment management agreements, the investment manager's in-house legal team is managing and discharging the defence on behalf of the subsidiaries and is taking relevant external legal advice. The Trustees understand that based on such external legal advice, the investment manager believes that the legal action is without merit, and accordingly, no provision has been made in these financial statements by the Trustees.

## 28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The Foundation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2023. The consolidated financial statements of the Foundation is available from the Company Secretary at 7 Clifford Street, London, W1S 2FT.

## 29. APPROVAL BY THE TRUSTEES

The financial statements were approved by the Trustees on 13 June 2024.

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# THE CHILDREN'S INVESTMENT FUND FOUNDATION (UK) GROUP INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

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



Catherine (second from left) – a member of the CAMFED Association of women leaders educated with CAMFED support and trained Learner Guide – sits with secondary school students during an outdoor study circle in Mpika, Zambia.

Photo credit: CAMFED/ Catherine Cardwell