

Registered company number 09595920

Registered charity number 1162036

Registered office: 10 Queen Street Place, London EC4R 1BE

BIG WIN PHILANTHROPY

TRUSTEES' REPORT AND ACCOUNTS

FOR THE PERIOD ENDING 31 DECEMBER 2016

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1.1 GENERAL AND ADMINISTRATIVE INFORMATION

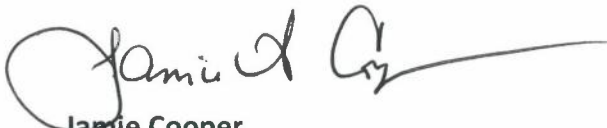
Registered office	10 Queen Street Place London EC4R 1BE
Company number	09595920 (incorporated in England and Wales)
Registered charity number	1162036
Trustees	Jamie Cooper (Chair) Suprotik Basu Nikos Makris Malik Dechambenoit Mark Dybul (appointed 19 May 2017) Dzingai Mutumbuka (appointed 19 May 2017)
President (<i>pro bono</i>)	Jamie Cooper
Chief Executive Officer	Dr. Muhammad Pate
Chief Operating Officer	Christopher J. Klatell
Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ
Solicitors	Bates Wells Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

1.2 CHAIR'S WELCOME

Welcome to our Annual Report for the year ended 31 December 2016, which includes the charity's financial statements for that year.

During the second year of our operations we continued to build key relationships, refined our strategy for helping to deliver meaningful change, supported bold initiatives with technical and professional assistance, and laid the groundwork for the programs we will undertake as additional resources become available to us over time. At the very end of the year we received the first meaningful tranche of the funding that was pledged to the charity as our expendable endowment, putting us in a strong position for growth.

That we have been able to operate at a high level as a young organization and despite our limited resources is due to the efforts of my fellow Trustees, our CEO, and a dedicated team of employees, advisors, partners and friends. We are thankful to everyone who has contributed to the growth and development of Big Win Philanthropy and look forward to what comes next.



Handwritten signature of Jamie Cooper in black ink, featuring a large, stylized 'J' and 'C'.

Jamie Cooper

President and Chair, Big Win Philanthropy

The Trustees present their report and the financial statements of Big Win Philanthropy (referred to as the “Charity” in the remainder of this report) for the year ending 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS 102) effective 1 January 2015 and applicable UK Accounting Standards (UK GAAP).

1.3 STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee and not having share capital, governed by its Memorandum and Articles of Association dated 18 May 2015. It is registered as a charity with the Charity Commission. Jamie Cooper (the “Founder”) is currently the sole member of the Charity.

Trustees

The Charity was formed on 18 May 2015 with Jamie Cooper, Suprotik Basu and Nikos Makris as its initial Trustees. Jamie Cooper, as the Founder, may appoint additional Trustees. In November 2015, Ms. Cooper nominated, and the other Trustees voted to appoint, Malik Dechambenoit as a Trustee. In May 2017 Ms. Cooper nominated, and the other Trustees voted to appoint, Mark Dybul and Dzingai Mutumbuka as additional Trustees.

Curricula Vitae for potential new Trustees are circulated in advance, and candidates are invited to attend at least one meeting as advisors before their candidacies are considered. New Trustees complete a Declaration of Eligibility and Declaration of Interests; review HMRC and Charity Commission guidance; and are introduced to the policies and procedures of the Charity, including its conflict of interest policy, Trustee code of conduct and policy on the role of Trustees. Ongoing training and guidance related to charitable governance and related matters are provided at meetings of the Trustees and at committee meetings.

Trustees (other than the Founder) normally serve three-year terms and do not serve more than three consecutive terms.

Trustees meet twice annually in person and at additional times by teleconference. In 2016, in-person meetings were held on 14 May and 12 November, and a telephonic meeting was held on 13 September. Trustees also consider and approve certain actions and initiatives by written consent.

President

In addition to serving as Chair, Jamie Cooper serves as President of the Charity. All of Ms. Cooper’s services are provided on a *pro bono* basis.

Chief Executive Officer

Dr. Muhammad Pate is the Chief Executive Officer of the Charity. Dr. Pate is an employee of the Charity's partner foundation in the United States of America (see "Relationship to Other Charities," below), which makes him available to the Charity on a no-cost basis. The President works closely with the Chief Executive Officer and works with the Board to set performance goals for him that are reviewed on a semi-annual basis.

Management

The day to day management of the Charity is carried out by the Chief Executive Officer (CEO) and overseen by the President. The Chief Operating Officer (COO) reports directly to the Chief Executive Officer on operational matters and to the President and Chair on certain financial and governance matters. The Senior Manager for Strategy and Programs and the Senior Manager for Campaigns and Communications report to the CEO, and the rest of the staff reports to the CEO, the Senior Managers and the COO. By the end of 2016, the Charity had five employees and received support from the CEO and COO, who are compensated and employed by the Charity's partner foundation in the United States of America. Two of the Charity's employees joined the Charity as TUPE transferees after previously having been seconded by another Charity, the Children's Investment Fund Foundation (UK) (hereinafter "CIFF UK").

All grants and charitable disbursements, and the accompanying activities to be undertaken by the Charity's staff, are presented to the Trustees for consideration in a written investment memorandum, which must be approved by the Trustees. From time to time, the Trustees may delegate authority to the Chair and the staff to make small discretionary grants or programmatic expenditures within budgeted amounts.

Pay and remuneration for the Charity's staff are set using benchmarks from other similarly situated charities, including CIFF UK, where several members of staff previously worked, and by applying criteria such as experience and skill level. The Charity has a goal-setting and review process for employees that encourages them to strive for success in all their endeavors.

Committees

The Charity has an active board, and its committees other than the Investment Committee are accordingly committees of the whole. To date, the committees other than the Investment Committee have met during meetings of the Trustees, with the Investment Committee also meeting on a regular basis throughout the year. The Trustees also form ad hoc advisory committees on specific issues when and as needed.

Relationship to Other Charities

The Charity has a close working relationship with a United States charitable trust, the Children's Investment Fund Foundation operating as Big Win Philanthropy (hereinafter referred to as "Big

Win Philanthropy US”). There is no control relationship between the organisations and they are legally independent of one another. While the two charities are not formally affiliated, they share certain Trustees and officers and cooperate on charitable endeavors. The Charity’s operating policies and strategies are designed to make efficient use of the two charities’ combined resources for maximum charitable impact.

An English charity, CIFF UK, has agreed to make a sizeable expendable endowment grant to the Charity (as described in Section 1.6, below) and seconded two employees to the Charity in the early part of the year, as referenced above. Those employees were subsequently transferred to the Charity under TUPE. The Charity’s Chair co-founded CIFF UK and remains a member and trustee of that charity, but she has recused herself from its activities pending the final decision of the Court and the Charity Commission in relation to approval of the grant from CIFF UK to the Charity. The relationship with CIFF UK does not impact the Charity’s operating policies, except to the extent that the grant agreement between the Charity and CIFF UK will restrict the use of funds received pursuant to that agreement to the improvement of the lives of children, young people and families in need in developing countries or countries in crisis.

In 2017, the Chancellor of the High Court approved the grant from CIFF UK to the Charity. One of the four defendants in that action has made an application to the Court of Appeal for permission to appeal an aspect of the High Court judgment, so approval of the grant remains pending. For more information, please see note 19 to the Charity’s accounts.

1.4 PUBLIC BENEFIT

The Trustees confirm that they have given due consideration to the Charity Commission’s public guidance on the Public Benefit requirement under the Charities Act 2011.

Objects

The Charity was formed in May 2015 for the public benefit, with the goal of benefitting children and youth and with the following objects:

- To prevent and relieve poverty;
- To relieve suffering, sickness and distress;
- To advance education; and
- To promote any other purpose recognised as charitable in accordance with the laws of England and Wales.

The Founder formed the Charity to work for the benefit of children and young people in developing, low-income countries. In order to achieve this goal, the Charity primarily partners with governments, multilateral institutions and other non-profits to plan and coordinate interventions that can improve the lives of young people in sub-Saharan Africa at scale, particularly in the health and education sectors, with a focus on human capital development.

Mission

The Trustees have adopted the following mission statement:

Big Win Philanthropy is an independent foundation that invests in children and young people in developing countries to improve their lives and to maximize demographic dividends for long term economic growth. Big Win Philanthropy partners with leaders who have a stake in the outcome to achieve transformational change.

1.5 OUR WORK

Approach

The Charity's work is guided by the following concepts:

- **Aspiration**
We see children and young people as a huge asset for creating economic growth and social stability - too often they are seen as a problem or a humanitarian obligation.
- **Respect**
We support the vision and ambition of political leaders in developing countries and align our support with their development priorities, including support for leadership capacity-building.
- **Collaboration**
We support cross-sectoral collaboration between different government ministries to address major social challenges. We also seek to forge partnerships between government, business and civil society.
- **Implementation**
We believe that execution and delivery are just as important as policy and deserve greater attention and prestige. We support leaders to improve implementation capacity.
- **Megatrends**
We consider major social shifts such as population growth that are often neglected in the context of short-term political cycles.
- **Ambition**
We seize opportunities that are strategic, scalable and have relevance beyond a specific project, with the potential to be game-changing.
- **Evidence**
We support leaders in utilizing data to inform their priorities, refine program design, monitor outcomes, improve cost-effectiveness, measure impact and challenge orthodoxy.

The Charity is led by the priorities of the African leaders with whom it partners. It supports work that invests in children and young people in disadvantaged areas to:

- improve the life prospects of individuals;
- generate economic returns for the benefit of the public at large; and
- help secure the long-term economic magnifier effect of a demographic dividend.

The three areas to which the Charity devotes particular attention are:

Brain development. The development of a child’s brain provides the fundamental basis for the cognitive, emotional and social capacities that enable the child to fully function as a person. A large proportion of children across sub-Saharan Africa suffer impaired brain development because of three key factors: undernutrition, insufficient social stimulation from care-givers and the experiencing or witnessing of violence. We are interested in work that addresses these factors.

Education for productivity. Better education is essential for developing the qualities and skills that children will need to become more productive – both in terms of their own quality of life and their contribution to national economic growth. Our interest ranges from early years and preschool education through to primary, secondary and vocational education. Our main areas of interest are improving the quality of education and making education relevant to the future economic and social contribution that young people are able to make to society.

Youth employment. Africa’s youth bulge involves a population set to quadruple by 2100, of whom half are currently under 25. With the right investment in creating employment, this new generation could become an economic powerhouse, lifting entire regions and countries out of poverty. But without investment, poverty and disaffection amongst young people could lead to profound social instability. We are interested in programs to create employment (in the informal sector as well as through formal waged employment) and to make young people more employment-ready.

The Charity also aims to support interventions in maternal, child and reproductive health, particularly for creating the conditions that allow a demographic dividend to be secured.

The Charity has developed a strategy in which the support it provides to partners includes:

- Technical assistance for strategy and planning
- Analysis and assessments
- Monitoring of execution and evaluation of impact
- Strategic support for program delivery
- Leverage of knowledge and innovation
- Facilitation of inter-sectoral collaboration between government ministries
- Support for partnerships and communications

The Charity's activities in 2016 were focused on (a) the provision of technical, professional and managerial support and expertise, largely via the Charity's own personnel, to the Charity's partners in government, the multilateral sector, and at Big Win Philanthropy US (in connection with grants made by that organization); and (b) the development of an effective and impactful strategy for the deployment of grant funds once the Charity's anticipated endowment is received. (The Charity received its first sizeable infusion of endowment funds at the very end of the reporting period.)

During 2016 the Charity's staff provided support in the manner described above to a number of initiatives undertaken in cooperation with Big Win Philanthropy US. Examples of the initiatives the Charity's staff are helping to plan, operate and manage include:

- **Supporting the Government of Ethiopia to end child undernutrition: Seqota Declaration**

The Seqota Declaration is a bold national commitment by the Government of Ethiopia to end child undernutrition in the country by 2030. Working alongside the federal ministers and regional leaders most central to addressing the challenge, Big Win Philanthropy and Big Win Philanthropy US are supporting the upgrading of plans and the quality of program delivery. The Charity's staff are directly charged with managing all aspects of the program.

In Ethiopia, 40% of children under the age of five suffer from chronic malnutrition or 'stunting'. Almost half of all child deaths in Ethiopia are associated with undernutrition. For those that survive, stunting reduces cognitive and physical development and diminishes the education, health, productivity and earning potential of millions of young people.

After supporting the development of a fully costed plan for implementing the Seqota Declaration in 2015 that garnered pledges of support from the government of Ethiopia and major institutional funders, in 2016 the Charity progressed to an implementation stage, during which the Charity's staff have directly supported five key areas of implementation:

- Program delivery units at the federal and regional levels of the Ethiopian government charged with doubling the rate of stunting reduction;
- Piloting community laboratories to drive innovation;
- Providing technical assistance and knowledge exchanges to enable increases in irrigation;
- Establishing baselines for evidence and evaluation through a multi-sectoral baseline assessment conducted in Amhara and Tigray regions; and
- Supporting a social movement to end stunting.

Although it is a long-term initiative with many variables, the Seqota Declaration Implementation Plan could be a long-term game changer for Ethiopia, contributing to human capital development at scale and helping to unlock the economic boost of a demographic dividend. With mortality and fertility both falling, Ethiopia is on the path to a population structure that may enable a demographic dividend because the ratio of working-age people to

dependents is rising. Through the provision of management support and expertise, and eventually direct funding, the Charity hopes to help the government of Ethiopia unlock this potential return for children and young people in the country.

- **Education in Liberia: Teacher Vetting Reform Project**

Liberia could free up around a fifth of its education budget to boost the quality and numbers of its teachers – by eliminating fake and unqualified teachers from the national payroll list. With the backing of the President of Liberia, Big Win Philanthropy and Big Win Philanthropy US are supporting the Minister of Education to enable millions of dollars per year to be released, including so the funds can be used to provide qualified, trained teachers to schools. Better education is crucial for the country's future, and, if successful, the program could become a model for other countries that want to achieve comparable gains from cleaning up public-sector payrolls.

For the Government of Liberia, working to lead its citizens in a recovery from two civil wars and the Ebola crisis, it is crucial that every dollar is spent for maximum social benefit. Liberia is the sixth-poorest country in the world. With 43% of Liberian people illiterate, half of all 15 year-olds failing national exams, and 53% of the population aged under 20, better education is essential for breaking the cycle of poverty.

The opportunity comes from cleaning up the national teacher payroll. A pilot project in three of Liberia's 15 counties (funded by USAID) found that of the names on the list of teachers being paid wages, up to 20% were fake – either being people who did not exist ('ghost teachers') or who were not teachers.

The Charity's staff has worked closely with the Liberian Ministry of Education to develop and manage a fully vetted program for certifying teacher payrolls in the remaining 12 counties, while ensuring that any savings feed back into the education system to benefit ordinary citizens. The initiative has led to the removal of many ghost teachers and underqualified teachers from payrolls, allowing the Ministry to hire qualified teachers who can help drive improved learning outcomes for children. The initiative, which is funded by Big Win Philanthropy US and managed by both charities, will be completed in late 2017. While final audited results of the payroll vetting process are not yet available, the preliminary numbers are very promising and the Ministry of Education considers the program an important success. A team from Princeton University is preparing an independent case study on the endeavor.

Based on the successor of the Teacher Vetting Reform Project, the Charity's personnel have worked closely with the Minister of Education to help deliver other programs and reforms for the benefit of Liberia's children. Among other things, the Charity's staff are helping to establish an Education Delivery Unit that will focus on the Ministry's key priorities; supporting results based financing opportunities for the Ministry; and providing communications support for the Ministry's reform efforts.

- **Unlocking the nutrition potential of \$33 billion of investments: Banking on Nutrition**

Banking on Nutrition seeks to help generate long-term economic growth across Africa by unlocking the nutrition potential of the African Development Bank's \$33 billion investment portfolio. It involves redesigning the Bank's investments in areas such as agriculture and water to be more "nutrition-smart", for example by planting nutrition-rich crops. This will help reduce stunting, a condition caused by undernutrition that permanently impairs children's growth. Reduced stunting will mean that more children develop into healthy adults, earning more for themselves and contributing more to the economies of their countries. The initiative was launched in May 2016 by the Bank's President, Akinwumi Adesina, in partnership with Big Win Philanthropy, Big Win Philanthropy US and Dangote Foundation.

Better child nutrition is crucial for Africa's future economic growth. Children who lack key nutrients in the 1,000 days from conception to the age of two become permanently stunted – being shorter, weaker and less cognitively able. This costs Africa an estimated 11% of GDP. Children who are properly nourished earn 20% more as adults, and good nutrition will help develop Africa's expanding youth population into a more productive workforce that can secure the economic benefit of a demographic dividend.

The Banking on Nutrition partnership strengthens the African Development Bank's capacity to realize the nutrition potential of its existing investments across multiple sectors. An initial assessment stage has been dedicated to producing a situation analysis of the current state of nutrition in the African Development Bank's investment portfolio, an evidence review across multiple sectors to understand which "nutrition-smart" interventions work best, and a costed plan of action for the future. Following this, the work will enter an implementation stage with nutrition-smart interventions being integrated into a range of existing Bank projects.

The African Development Bank is the continent's premier development finance institution and is uniquely positioned to address and reposition nutrition as central to development in Africa. It intends to support more investment in nutrition and to provide greater leadership on the issue. Its President, Akinwumi Adesina says, "Nutrition is not just a health and social development issue, nutrition is an investment that shapes economic growth."

The Charity's staff manages the Banking on Nutrition program and serves as the lead coordinator for the three participating charities' engagement with the African Development Bank, with the initial grants during the implementation phase being contributed by Big Win Philanthropy US and the Dangote Foundation.

Other Initiatives

The Charity's senior staff lent their expertise to other initiatives undertaken in collaboration with Big Win Philanthropy US, such as the Ministerial Leadership Program at Harvard University, a partnership with Kenya's Council of Governors to track progress on children's and youth issues at the county level in Kenya's newly devolved political system, and a planning grant for a

youth employment initiative called G-United in Kenya. The Charity's staff have also spent considerable time researching strategic charitable interventions that the Charity can undertake once additional funding is available. Among other things, the Charity's staff have undertaken extensive research into the impact of violence on children's brains and human capital development. The Charity's personnel have also engaged in extensive discussions with partners about supporting youth employment initiatives in Ethiopia; education interventions in Namibia; and other health and education programs across the region.

1.6 ACHIEVEMENTS

Achievements and Performance

As described above, the Charity's staff have contributed in important ways to programs that have the capacity greatly to improve the lives of children and young people in developing countries. The Charity received its first substantial funds at the very end of the reporting period, so during 2016 the Charity's achievements primarily involved its staff's contributions to program design; program management; strategic planning; communications; and measurement and evaluation. The Charity has also developed a robust slate of initiatives that are designed to impact children and youth in a direct and transformative way, so that the Charity is well positioned to advance its mission if and when additional anticipated funds becomes available.

The Trustees are currently in the process of developing a defined set of metrics for measuring and reporting on the success of the Charity's initiatives. The Charity's Trustees and staff have deep experience in articulating key performance indicators for charitable endeavors and are intent on producing indicators that are tailored to the Charity's mission, goals and values. The Charity employs a "critical path" for each initiative it supports, so that progress can be measured along that path as the program develops (and course corrections can be made if necessary). As the Charity's programs mature, the Charity will have a strong baseline for evaluating their impact and success.

Fundraising

The Charity does not actively engage in fundraising. Instead, it will fund its activities through an expendable endowment that it expects to receive via a grant and two donations (one of which has been made in full). Because these grants and donations have been made or will be made in United States dollars, they are listed in dollar terms below, with a conversion to pounds sterling for reference when the transaction has already occurred. Beginning in 2017, the Charity will change its functional and presentational currency to United States dollars to better reflect the nature of its ongoing income sources.

CIFF UK has agreed to make a grant of \$360,000,000 to the Charity for purposes of creating an expendable endowment that will be used for the benefit of children, young people and their families in developing countries or countries in crisis (the "CIFF Grant"). Approval of the CIFF Grant is currently before the courts. On 9 June 2017, Sir Geoffrey Vos, Chancellor of the High

Court, approved the CIFF Grant, but that ruling is not final because another defendant in the case, Dr. Marko Lethimaki, has filed an application for permission to appeal with the Court of Appeal. If the Chancellor's decision becomes final, the CIFF Grant will still require the approval of the Charity Commission.

In addition to the CIFF Grant, in 2015 the Charity received two pledges of \$40,000,000 each, one from its Founder and one from TCI Fund Management Limited. The pledges were made pursuant to Deeds of Covenant.

The Charity's Founder's pledge is contingent upon a positive determination from the courts and the Charity Commission with respect to the CIFF Grant. Nonetheless, the Charity's Founder voluntarily has made donations in partial fulfilment of her pledge, including a donation of £579,419 in 2016 made via the CAF American Donor Fund.

In December 2016, TCI Fund Management Limited made a \$40,000,000 (£32,260,666) donation to the Charity in early fulfilment of its Deed of Covenant. Those funds were initially received into the Charity's solicitors' client account.

In addition to cash support, during 2016 the Charity received significant in-kind support from its partner foundation in the United States. Among other things, Big Win Philanthropy US made available the services of the Charity's CEO and COO, allowed the Charity access to its network and certain other facilities, and paid travel costs for the Charity's staff when travelling for joint initiatives. The trustees of Big Win Philanthropy US have determined that providing this incubation and support furthers the charitable mission of Big Win Philanthropy US, and the generous support greatly increased the ability of the Charity to fulfill its charitable mission in 2016.

Subsequent to the Charity's receipt of the \$40,000,000 (£32,260,666) donation in December 2016, the Charity and Big Win Philanthropy US established new written guidelines for their ongoing collaborations, and the in-kind support the Charity receives from Big Win Philanthropy US will decrease over time.

1.7 FINANCIAL REVIEW

Financially, the Charity's period of operating was defined by the ongoing litigation with respect to the CIFF Grant and the early receipt of the pledged donation from TCI Fund Management.

The Charity organized its affairs in 2015 and 2016 in anticipation of receiving the initial installments of the CIFF Grant. Because the CIFF Grant has been delayed by litigation, the Charity's personnel have been hampered in making grants to supplement the professional support and technical assistance the Charity's staff provides. The uncertainty surrounding the timing of the CIFF Grant has been an obstacle to the Charity's programmatic development and financial planning.

In December 2016 the Charity received \$40,000,000 (£32,260,666) in pledged funds from TCI Fund Management with little advance notice. Receipt of these funds significantly increased the Charity's financial performance during 2016 and solidified the Charity's finances. However, receipt of an additional \$400,000,000 (the CIFF Grant and a second pledge) remains uncertain because of the ongoing litigation.

Because the \$40,000,000 (£32,260,666) donation was received in late December 2016 into the Charity's solicitors' USD client account, which does not bear interest, the Charity did not have meaningful investment income in 2016. However, the Charity did benefit from exchange rate gain. The funds were transferred to the Charity's USD account in early 2017.

Charitable costs of £884,496 were incurred relating to the Charity's activities. These costs, which primarily relate to the compensation of program staff, were in line with the Charity's budget and were met from the income referred to above. Full details of the work supported by this expenditure are contained in the relevant sections of this report.

The Charity's funding arrangements are set out in note 2 to the accounts and in the fundraising section of this report, above.

At 31 December 2016 general fund reserves amounted to £71,545 and the expendable endowment amounted to £32,516,095.

The Trustees have planned activity levels in anticipation of the CIFF Grant and the accompanying pledge described above, and the long term financial position of the Charity is wholly dependent upon the receipt of those funds. Until those funds are received, the Charity's operational budget is being funded by periodic cash donations received from the Founder and investment income from the \$40,000,000 pledge that has been received.

Investments

During 2016, the Charity's limited funds were invested solely in cash, held in its current account at HSBC. The \$40,000,000 donation received at the very end of the reporting period in December 2016 was held, for the remainder of 2016, in U.S. dollar cash.

Prior to the receipt of any endowment funds, the Charity's investment committee had begun a competitive process to decide upon an outside investment manager (an "OCIO") to manage the Charity's anticipated assets. A request for proposal was distributed and four shortlisted candidates were selected as finalists for the OCIO role. In 2017, after extensive due diligence, including in-person interviews and reference checks, Cambridge Associates were chosen as the Charity's OCIO. A second request for proposal was then circulated for a custodian of the Charity's assets, which resulted in the selection of Northern Trust as custodian.

The investment committee and management subsequently negotiated and developed, and the Trustees reviewed and adopted, the Charity's Investment Policy Statement, a revised spending and reserves policy, an investment management agreement with Cambridge Associates, and a

master custodial agreement with Northern Trust. Cambridge Associates then invested the Charity's non-reserve assets pursuant to the Investment Policy Statement.

The Charity's Trustees do not anticipate making social or program related investments as part of their asset management strategy.

Key Risks and Uncertainties

The Charity remains in a somewhat unique position in which the key risks and uncertainties it faces are almost entirely related to (a) the possibility that the Chancellor's order with respect to the \$360,000,000 CIFF Grant could be reversed or delayed, and (b) the possibility that the Charity Commission could decline to approve the CIFF Grant. The second \$40,000,000 pledge the Charity expects to receive is also contingent upon a positive determination with respect to the CIFF Grant, so \$400,000,000 in total depends on the actions of the courts and the Commission. If some or all of those funds are not received, or if their receipt is delayed, it will materially impact the Charity's ability to deliver on its mission and programs.

The Charity is in a significantly stronger position to manage this risk now that it has received an initial expendable donation of \$40,000,000, and the Charity is managing risk by only undertaking activities that fall within its current budget and avoiding medium or long term commitments, including sizeable grant or funding commitments. Nonetheless, the Charity is devoting considerable resources to putting itself in a position to be able to deploy additional funds for the public good, and those plans will need to be revised if additional funds do not in fact become available imminently. In the absence of the anticipated endowment funds, the Charity will also likely need to rethink both its strategy and its organizational structure. While the Charity is attempting to mitigate risk by providing direct technical assistance to partners in Africa and supporting initiatives in which grant funding can be provided by Big Win Philanthropy US or other partners, the risk nonetheless remains that the Charity's effectiveness will be seriously reduced if it does not receive the anticipated funding.

The Charity's expendable endowment is invested by an outside investment manager, Cambridge Associates, pursuant to an Investment Policy Statement adopted by the Trustees. There is a risk that the Charity's investments will not meet the benchmarks established by the Trustees or will produce negative returns. The Charity has attempted to set its reserves policy and Investment Policy Statement to reasonably mitigate these risks.

In addition to funding risks, the Charity works significantly with governments, multilaterals and international organizations in sub-Saharan Africa. Political conditions, changes of administration or policy, and geopolitical concerns could have a material adverse impact on the Charity's operations. These risks are endemic to the Charity's field of endeavor, so the Charity consistently reviews its policies and activities in an attempt to mitigate (but not eliminate) them.

The Charity is highly dependent on the experience and skillsets of certain key personnel, including the President and the CEO. If either were unable or unwilling to work on behalf of the Charity, it would have a serious impact on the Charity's operations.

The Charity's staff travel extensively, including to unstable areas of the world and locations where staff could be exposed to communicable diseases, accidents and other risks. The Charity has attempted to adopt policies and procedures to mitigate these risks or to address incidents if they occur, and it also has insured itself against such risks. Nonetheless, the Charity's operations and personnel remain at risk of disruption from accidents, disease, and security concerns encountered when its personnel are travelling abroad.

Going Concern

The Charity does not currently have any funds in deficit and, given its expendable endowment, does not presently face any material threat to its status as a going concern. Nonetheless, as stated above, failure to receive anticipated funds would require the Trustees materially to rethink the organization's structure and planned activities.

Plans for Future Periods

The Charity's plans for future periods are dependent upon receipt of the additional anticipated expendable endowment funds. The Charity currently plans to expand its activities in London by leasing new, larger office space and hiring additional personnel. The Trustees are wary of expanding beyond this until they have more certainty with respect to the Cluff Grant and the related pledge.

Reserves Policy

The Trustees are committed to applying the Charity's resources in a responsible manner that maximizes charitable outcomes.

Throughout the reporting period, the Charity budgeted to maintain operational reserves of £100,000 pursuant to an interim reserves policy adopted by the Trustees. Such reserves were sufficient to meet the Charity's extant obligations and would have allowed for an orderly unwinding of the Charity's operations.

At the end of the reporting period, the Charity received a donation of \$40,000,000. The Trustees thereafter established a reserves policy of holding 12 months of projected expenditures in reserve, based on a spending target of 5% of the Charity's average assets for the previous 12 trailing quarters.

At the end of the reporting period, the Charity held £71,545 in unrestricted operating reserves and £32,516,095 in an expendable endowment fund. At the end of the reporting period, those funds were entirely in cash, as they had just been received. The Trustees subsequently adopted the revised reserves policy described above. The Charity now maintains cash reserves pursuant to it and otherwise invests its funds under the direction of its OCIO, Cambridge Associates.

The Trustees will review the Charity's reserves policy annually, and, in particular, will review it when there are developments with respect to the anticipated expendable endowment funds.

Trustees' Statement of Responsibilities

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting practices and apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, the financial position of the charitable company at any time, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to Auditors

Each of the Trustees, who are also directors, at the time this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The auditors, RSM UK Audit LLP, have expressed their willingness to remain in office for a further year, and a proposal for their reappointment will be made in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Trustees Report was approved by the Trustees on 25 September 2017, and is signed on their behalf by

A handwritten signature in black ink, appearing to read 'Jamie Cooper', with a long horizontal flourish extending to the right.

Jamie Cooper

Trustee, President and Chair

Date: 25 September 2017.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG WIN PHILANTHROPY

Opinion on financial statements

We have audited the financial statements of Big Win Philanthropy (the 'charitable company') for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

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

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG WIN PHILANTHROPY

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Date: 27 September 2017

Big Win Philanthropy
Statement of Financial Activities (including income and expenditure account)
For the year ended 31 December 2016

	Note	Year ended 31 Dec 2016			Period from 18 May to 31 Dec 2015	
		Unrestricted funds	Endowment	Total Funds	Unrestricted funds	Total Funds
		£	£	£	£	£
Income from:						
Donations and legacies	2	579,419	32,260,666	32,840,085	532,508	532,508
Total income		<u>579,419</u>	<u>32,260,666</u>	<u>32,840,085</u>	<u>532,508</u>	<u>532,508</u>
Expenditure on:						
Charitable activities	4	884,496	-	884,496	155,886	155,886
Total expenditure	4	<u>884,496</u>	<u>-</u>	<u>884,496</u>	<u>155,886</u>	<u>155,886</u>
Net (expenditure)/income and net movement in funds for the year before gains and losses on investments		(305,077)	32,260,666	31,955,589	376,622	376,622
Net gains on investments		-	255,429	255,429	-	-
Net movement in funds		<u>(305,077)</u>	<u>32,516,095</u>	<u>32,211,018</u>	<u>376,622</u>	<u>376,622</u>
Reconciliation of funds:						
Total funds brought forward		376,622	-	376,622	-	-
Total funds carried forward		<u>71,545</u>	<u>32,516,095</u>	<u>32,587,640</u>	<u>376,622</u>	<u>376,622</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses during the year.

There were no endowments in existence in the period to 31 December 2015.

Big Win Philanthropy
Balance Sheet
For the year ended 31 December 2016

		<u>2016</u>		<u>2015</u>	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	11		8,024		8,292
Investments	12		32,516,095		-
			<u>32,524,119</u>		<u>8,292</u>
Current assets:					
Debtors	13	16,097		16,230	
Cash at bank and in hand	18	117,919		397,689	
		<u>134,016</u>		<u>413,919</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	70,495		45,589	
Net current assets			63,521		368,330
Total net assets			<u>32,587,640</u>		<u>376,622</u>
The funds of the charity:					
Unrestricted funds	15		71,545		376,622
Expendable endowment funds	15		32,516,095		-
Total charity funds			<u>32,587,640</u>		<u>376,622</u>

The financial statements on pages 22 to 35 were approved by the Board of Trustees on September 25, 2017 and authorised for issue.



Jamie Cooper
Chair of Trustees

Big Win Philanthropy
Company Registered No: 09595920

Big Win Philanthropy
Statement of Cash Flows
For the year ended 31 December 2016

	Note	Year ended 31 Dec 2016		Period from 18 May to 31 Dec 2015	
		£	£	£	£
Cash provided by operating activities	17		31,984,654		406,252
Cash flows from investing activities:					
Purchase of tangible fixed assets		3,758		8,563	
Purchase of fixed asset investments		32,260,666		-	
Net cash used in investing activities			(32,264,424)		(8,563)
(Decrease)/ Increase in cash and cash equivalents in the year			(279,770)		397,689
Total cash and cash equivalents at the beginning of the year			397,689		-
Total cash and cash equivalents at the end of the year	18		117,919		397,689

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The functional currency is the British Pound.

b) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

There is also an expendable endowment, created on 20 December 2016 when the Charity received the sum of \$40,000,000 from TCI Fund Management Limited. The Trustees may expend both capital and income in furtherance of the Charity's charitable purposes.

There are no restricted general funds in the current year or the previous period.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- i) Expenditure on charitable activities: this relates to the costs of delivering services, including the research and design work required in order to plan for the implementation of the charitable investment programme aimed at improving the lives of children and youth of sub-Saharan Africa, and their associated support costs.
- ii) Other expenditure: this represents those items not falling under any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity, for example IT. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs, is apportioned on the basis of an estimate of staff time, attributable to each activity.

Governance costs, one of the support costs, are the costs associated with the governance arrangements of the charity. These costs relate to constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities as well as professional fees such as audit fees.

i) Tangible fixed assets

Items of computer equipment over £200 are capitalised at cost. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	33.33% Straight line
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j) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

At 31 December 2016 investments represented cash held for future investment purposes. As explained in section 1.7 of the Trustees Report, investment managers were appointed subsequent to the year end.

k) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. They are held to meet short term cash commitments as they fall due.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Pensions

From 1 September 2016, the company commenced contributing to each employee's Individual Personal Pension plan, as part of the auto-enrolment legislation in force in the UK. There were no pension contributions before this date. Costs incurred during the year are charged through the Statement of Financial Activities and any amounts unpaid at the year end are included in Other Creditors.

p) Financial Instruments

The Charity has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. The Charity has not entered into any financing transactions.

Trade creditors are obligations to pay to goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

q) Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements - Valuation of donated services

The charitable company makes an estimate of the value of management services provided by the Children's Investment Fund Foundation trading as Big Win Philanthropy, a charitable trust formed under the laws of New York, USA. This is accounted for as Income in Kind. The estimate is based on information provided by the donor.

Big Win Philanthropy
Notes to the Financial Statements
For the year ended 31 December 2016

2 Detail for the statement of financial activities

	Year ended 31 Dec 2016			Period from 18 May to 31 Dec 2015	
	Unrestricted funds £	Endowment £	Total Funds £	Unrestricted funds £	Total Funds £
Income from:					
Donations and legacies	492,285	32,260,666	32,752,951	502,925	502,925
Income in kind	87,134	-	87,134	29,583	29,583
Total income	579,419	32,260,666	32,840,085	532,508	532,508
Expenditure on:					
Charitable activities	884,496	-	884,496	155,886	155,886
Total expenditure	884,496	-	884,496	155,886	155,886
Net income before gains and losses on investments	(305,077)	32,260,666	31,955,589	376,622	376,622
Net gains on investments	-	255,429	255,429	-	-
Net movement in funds	(305,077)	32,516,095	32,211,018	376,622	376,622
Total funds brought forward	376,622	-	376,622	-	-
Total funds carried forward	71,545	32,516,095	32,587,640	376,622	376,622

For the year to 31 December 2016, Income from donations includes a donation amounting to US \$40,000,000 (£32,260,666) from TCI Fund Management Limited pursuant to a deed of covenant.

For the year to 31 December 2016, Income from donations includes a grant amounting to £492,285 (2015 - £497,725) received from The CAF American Donor Fund, a donor advised fund, at the suggestion of Jamie Cooper, the Founder and Chair of Big Win Philanthropy.

Income in Kind relates to Key Management costs, being the time spent by the CEO and COO, paid for by the Children's Investment Fund Foundation, trading as Big Win Philanthropy, a New York charitable trust.

3 Donations

	Year ended 31 Dec 2016			Period from 18 May to 31 Dec 2015	
	Unrestricted funds £	Endowment £	Total Funds £	Unrestricted funds £	Total Funds £
TCI Fund Management Limited (pledge fulfilment)	-	32,260,666	32,260,666	-	-
Donations - Grant from The CAF American Donor Fund on behalf of Founder	492,285	-	492,285	497,725	497,725
Income in kind	87,134	-	87,134	29,583	29,583
Other donations	-	-	-	5,200	5,200
	579,419	32,260,666	32,840,085	532,508	532,508

Big Win Philanthropy
Notes to the Financial Statements
For the year ended 31 December 2016

4. Analysis of expenditure on charitable activities

	Year ended 31 Dec 2016			Period from 18 May to 31 Dec 2015	
	Unrestricted funds £	Endowment £	Total Funds £	Unrestricted funds £	Total Funds £
Activities undertaken directly					
Staffing	517,340	-	517,340	62,972	62,972
Other direct costs	117,966	-	117,966	18,871	18,871
	635,306	-	635,306	81,843	81,843
Support costs (note 5)	249,190	-	249,190	74,043	74,043
	884,496	-	884,496	155,886	155,886

During this second period of operation the Charity undertook one activity. This was the research, design and development of a charitable investment program aimed at improving the lives of children and youth and maximising demographic dividends in sub-Saharan Africa, and the provision of technical, management and professional support to partners and potential grantees in connection with same. Included in this is the design and co-management of initiatives and grant programs that are either being implemented by the charity's partner foundation in the USA or that will be implemented directly or in partnership with the charity's partner foundation in the USA; research and development of potential interventions; development of communications and campaign strategies related to education, health, and the impact of violence on children; and provision of technical support, professional advice and expertise to partners. Programs in development or being supported in this manner include the ministerial leadership program at Harvard University; anti-stunting and youth employment initiatives in Ethiopia; human capital investments in Kenya; educational interventions in Liberia; research into the impact of violence on children's development; and the management of a nutrition partnership with the African Development Bank.

5. Analysis of support costs

	Year ended 31 Dec 2016			Period from 18 May to 31 Dec 2015	
	Unrestricted funds £	Endowment £	Total Funds £	Unrestricted funds £	Total Funds £
Governance (see below for analysis)	84,383	-	84,383	40,469	40,469
Staffing	89,235	-	89,235	16,106	16,106
Accountancy and financial management	15,687	-	15,687	-	-
Legal fees	7,034	-	7,034	4,820	4,820
Other (rent and operations etc)	52,851	-	52,851	12,648	12,648
Total	249,190	-	249,190	74,043	74,043

Governance costs are made up of:

Audit fee (including VAT)	24,000	-	24,000	19,200	19,200
Accountancy and financial management	3,922	-	3,922	1,656	1,656
Legal and professional fees	12,894	-	12,894	4,821	4,821
Cost of services provided by Big Win USA	43,567	-	43,567	14,792	14,792
	84,383	-	84,383	40,469	40,469

Big Win Philanthropy
Notes to the Financial Statements
For the year ended 31 December 2016

6 Net income for the period	Year ended 31 Dec 2016	Period from 18 May to 31 Dec 2015
	£	£
This is stated after charging:		
Depreciation (note 11)	4,026	271
Auditor's remuneration (including VAT)	24,000	19,200
	<hr/>	<hr/>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel	Year ended 31 Dec 2016	Period from 18 May to 31 Dec 2015
	£	£
Staff costs were as follows:		
Salaries and wages	535,480	69,902
Social security costs	65,765	9,176
Pension costs	5,330	-
	<hr/>	<hr/>
	606,575	79,078

Higher paid employees were paid in the following bands:

	No.	No.
£80,001-£90,000	1	-
£100,001 - £110,000	1	-
£120,001 - £130,000	1	-
£150,001 - £160,000	1	-
	<hr/>	<hr/>

Key Management personnel is made up of the Chief Executive Officer (CEO) and the Chief Operating Officer (COO), neither of whom received any benefits directly from the Charity during the periods ended 31 December 2016 and 2015. The value of Key Management's cost donated by Children's Investment Fund Foundation trading as Big Win Philanthropy US was £87,134 (2015 - £29,583) as disclosed in Note 9.

The Charity's Trustees were not paid and did not receive any benefits from employment with the Charity in the year (2015 - £0). The Trustees did not have any reimbursement of expenses (2015 - £0). No Charity Trustee received payment for professional or other services supplied to the Charity (2015 - £0).

8 Staff numbers

There were 5 employees at the year end (2015 - 3). The average number of employees (head count based on number of staff employed) during the accounting period was as follows:

	Year ended 31 Dec 2016	Period from 18 May to 31 Dec 2015
	No.	No.
All activities	4	1
	<u>4</u>	<u>1</u>

9 Related party transactions

The relationship between Big Win Philanthropy and the Children's Investment Fund Foundation trading as Big Win Philanthropy, a charitable trust formed under the laws of New York, USA is a close working relationship. There is no control relationship between the two charities though they do share certain trustees and officers and co-operate on charitable endeavours. There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The related party transactions for 2016 are as follows:

(i) The grant of £492,285 from the CAF American Donor Fund, a donor advised fund, at the suggestion of Jamie Cooper, the Founder and Chair of Big Win Philanthropy.

(ii) Management services valued at £87,134 provided by the Children's Investment Fund Foundation trading as Big Win Philanthropy, a charitable trust formed under the laws of New York, USA. This is accounted for as Income in Kind.

(iii) A \$40,000,000 donation to the Charity in December 2016 made by TCI Fund Management Limited pursuant to a Deed of Covenant. That Deed was made in connection with an agreement amongst TCI Fund Management Limited, the Children's Investment Fund Foundation (UK) and Jamie Cooper, the President and Chair of the Charity. Christopher Hohn, who is an authorised signatory of TCI Fund Management Limited and whom the Charity believes has an interest in TCI Fund Management Limited, is a Member and Trustee of Children's Investment Fund Foundation (UK) and the ex-husband of Jamie Cooper.

The related party transactions for 2015 are as follows:

(i) The grant of £497,725 from the CAF American Donor Fund, a donor advised fund, at the suggestion of Jamie Cooper, the Founder and Chair of Big Win Philanthropy.

(ii) Management services valued at £29,583 provided by the Children's Investment Fund Foundation trading as Big Win Philanthropy, a charitable trust formed under the laws of New York, USA. This is accounted for as Income in Kind.

(iii) A donation of £5,200 to the Charity by Big Win Philanthropy's Founder and Chair.

Big Win Philanthropy
Notes to the Financial Statements
For the year ended 31 December 2016

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible Fixed Assets

	Computer equipment	Total
	£	£
Cost		
At the start of the year	8,563	8,563
Additions during the year	3,758	3,758
At the end of the year	<u>12,321</u>	<u>12,321</u>
Depreciation		
At the start of the year	271	271
Charge for the year	4,026	4,026
At the end of the year	<u>4,297</u>	<u>4,297</u>
Net book value		
At the end of the year	<u>8,024</u>	<u>8,024</u>
At the beginning of the year	<u>8,292</u>	<u>8,292</u>

12 Fixed Asset Investments

	Year ended 31 Dec 2016	Period from 18 May to 31 Dec 2015
Movement in Fixed Asset Investments		
Market value brought forward at 1 January 2016	-	-
Additions to investments at cost	32,260,666	-
Exchange gains	255,429	-
Market value as at 31 December 2016	<u>32,516,095</u>	<u>-</u>
Investments at fair value comprised:		
Cash held in solicitors client account	<u>32,516,095</u>	<u>-</u>

Fixed Asset Investments represents monies received on 20 December 2016 by the Charity's Expendable Endowment Fund (see Note 15).

As at 31 December 2016, the funds were held on bank deposit by the Charity's solicitors. The charity subsequently appointed Cambridge Associates as its investment managers and Northern Trust as the custodian of its investment assets, in both instances pursuant to a competitive request-for-proposal process.

The monies are held for the purpose of investment.

Big Win Philanthropy
Notes to the Financial Statements
For the year ended 31 December 2016

13 Debtors

	2016	2015
	£	£
Prepayments	6,287	10,890
Other debtors	9,810	5,340
	<u>16,097</u>	<u>16,230</u>

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	10,736	14,925
Taxation and social security	35,759	7,464
Accruals	24,000	23,200
	<u>70,495</u>	<u>45,589</u>

15 Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Current Year				
Total unrestricted funds	376,622	579,419	884,496	71,545
Expendable Endowment Fund	-	32,516,095	-	32,516,095
Total Funds	<u>376,622</u>	<u>33,095,514</u>	<u>884,496</u>	<u>32,587,640</u>
Prior Period				
Total unrestricted funds	-	532,508	155,886	376,622

The Expendable Endowment Fund was created on 20 December 2016 following the receipt of \$40,000,000 from TCI Fund Management Limited. The Trustees may expend both capital and income in furtherance of the Charity's charitable purposes.

There were no endowment funds in existence in the period to 31 December 2015.

16 Analysis of net assets between funds

At 31st December 2016	Un- restricted Funds £	Expendable Endow- ment £	Total Funds £
Tangible Fixed Assets	8,024	-	8,024
Fixed Asset investments	-	32,516,095	32,516,095
Cash at bank and in hand	117,919	-	117,919
Other net current liabilities	(54,398)	-	(54,398)
	<u>71,545</u>	<u>32,516,095</u>	<u>32,587,640</u>

At 31st December 2015 all assets and liabilities related to unrestricted funds.

17 Reconciliation of net income to net cash flow from operating activities

	Year ended 31 Dec 2016 £	Period from 18 May to 31 Dec 2015 £
Net income for the reporting period	32,211,018	376,622
Depreciation charges	4,026	271
Exchange gains on investments	(255,429)	-
Decrease (increase) in debtors	133	(16,230)
Increase in creditors	24,906	45,589
Net cash provided by operating activities	<u>31,984,654</u>	<u>406,252</u>

18 Analysis of cash and cash equivalents

	£	£
Cash at bank and in hand	117,919	397,689
Total cash and cash equivalents	<u>117,919</u>	<u>397,689</u>

19 Contingent assets

On 9 June 2017 Sir Geoffrey Vos, Chancellor of the High Court approved a grant of \$360,000,000 from the Children's Investment Fund Foundation (UK) to the Charity (the "CIFF UK Grant"), subject to the written approval of the Charity Commission. On 16 August 2017, the Fourth Defendant in that action, Dr Marko Lehtimäki, filed an application for permission to appeal certain aspects of the Chancellor's judgment with the Court of Appeal. No other parties have sought permission from the Court of Appeal to appeal. Jamie Cooper has signed a Deed of Covenant to donate \$40,000,000 to the Charity upon a final Positive Determination with respect to the CIFF Grant. The receipt of the \$360,000,000 grant and the remainder of Ms Cooper's \$40,000,000 pledge remains contingent upon the actions of the Court of Appeal and the Charity Commission.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The company is incorporated in England and Wales registration number 09595920 .The liability of each member in the event of winding up is limited to £1.

The registered office of the company is 10 Queen Street Place, London, United Kingdom, EC4R 1BE .