

# REGISTRAR OF COMPANIES

The Tony Blair Faith Foundation

Annual Report and Financial Statements

28 February 2017

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Company Limited by Guarantee  
Registration Number  
6198959 (England and Wales)

Charity Registration Number  
1123243

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Reference and administrative details of the charity, its Trustees and advisers

<b>Patron</b>	The Right Honourable Tony Blair
<b>Trustees</b>	Jeremy Sinclair (Chairman) Sir Michael Barber Robert Clinton (until 28 February 2017) Baroness Gail Rebus (until 28 February 2017)
<b>Company secretary</b>	Tyrolese (Secretarial) Limited
<b>Chief Executive</b>	Angela Salt OBE
<b>Registered office</b>	66 Lincoln's Inn Fields London WC2A 3LH
<b>Correspondence</b>	PO Box 60519 London W2 7JU
<b>Websites</b>	<a href="http://www.tonyblairfaithfoundation.org">www.tonyblairfaithfoundation.org</a> <a href="http://www.religionandgeopolitics.org">www.religionandgeopolitics.org</a>
<b>Email</b>	<a href="mailto:info@tonyblairfaithfoundation.org">info@tonyblairfaithfoundation.org</a>
<b>Company registration number</b>	6198959 (England and Wales)
<b>Charity registration number</b>	1123243
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds TSB Bank plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

## **REPORT SUMMARY**

The Trustees present their statutory report together with the financial statements of The Tony Blair Faith Foundation for the 14 month period to 28 February 2017. The accounting reference date has been changed from 31 December to 28 February for administrative purposes.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 26 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Statement of Recommended Practice on 'Accounting and Reporting by Charities' applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

## **CHARITABLE OBJECTIVES**

The Trustees confirm that they have referred to the direction contained in the Charity Commission's general guidance on public benefit when reviewing the charity's work this year and in planning future activities. The Trustees have also had regard to all relevant supplementary guidance. The Trustees agree that the Foundation's aims are demonstrably for the public benefit in the following areas:

- educational;
- designed to increase understanding of religious extremism and how it may be countered;
- available free to the public, for example via its website.

## **INTRODUCTION AND VISION**

The Tony Blair Faith Foundation provides the practical support required to help prevent religious prejudice, conflict and extremism in order to promote open-minded and stable societies.

Tackling religious extremism relies on a proper understanding of the problem and taking action on the ground. Teachers, policymakers and religious leaders all have a role to play.

The Foundation's work in 2016/17 helped extremist ideologies be better understood, and we believe our work on the ground has helped to foster more open-minded and resilient societies, particularly those vulnerable to radicalisation.

## INTRODUCTION AND VISION (continued)

During 2016/17, the Tony Blair Faith Foundation carried out a major review of its future strategic direction having been presented with an exciting opportunity. The Trustees subsequently judged the opportunity to be in the best interest of the Foundation's mission and work. A statement was released on the 15th March 2017 which sets out the decision by the Trustees to transition the Foundation's operations and expertise to a new not-for-profit entity, the Tony Blair Institute for Global Change.

### *Future of the Tony Blair Faith Foundation*

*The Tony Blair Faith Foundation was set up in 2008 to help people understand the major role that religion plays within society, and to come up with practical ideas that address the needs arising from religion's growing influence on world events.*

*Over the last eight years we have grown from a handful of staff to over 40 full time employees. Our practical support has directly touched the lives of hundreds of thousands of people and our thought leadership work has been seen by millions.*

*The Foundation's global schools programme has been present in over 2,500 schools from 48 countries: trained over 9,000 teachers: who have gone onto work with nearly a quarter of a million students. We are working with governments to implement the values of the programme into curricula and campaigning for a global commitment on education, that seeks to get even more countries signed up to promoting greater religious and cultural understanding.*

*In Sierra Leone we have brought together Christian and Muslim religious leaders who have inspired volunteers to reach over 2 million people with vital life-saving malaria prevention information.*

*In several countries we have directly supported those challenging religious extremism within their own communities. In Nigeria, during the elections of 2016, we trained and supported activists who made faith-based appeals for peaceful elections. They reached millions of people through organising petitions, rallies, meetings and appearing on major radio and TV broadcasts.*

*The Foundation has established the Centre on Religion & Geopolitics, an international affairs think tank, which is now the go-to authority for policy makers and others who wish to better understand the ideology that lies behind the violence, and the groups that take part in these conflicts.*

*We are proud of what we have achieved, and pay tribute to the efforts of our staff, our partners and the generosity of our supporters, without whom none of this would have been possible.*

*As Trustees we are guardians of this work. We independently seek to ensure that it is focused on our charitable mission, to provide practical support to counter religious conflict and extremism in order to promote open-minded and stable societies.*

## INTRODUCTION AND VISION (continued)

*We are pleased to have an active founder in Tony Blair. We are immensely grateful for the time and effort he spends on our work, including on fundraising and developing a long term sustainable financial footing for the Foundation.*

*Over the last eight years we have sought to maintain stability and sustainability in our finances. This has meant that projects can remain fully supported year on year, ensuring consistency of delivery, which has been outlined in our previous reports and recognised by those who monitor the sector.*

*As Trustees we have an important responsibility to look to the future of the organisation and ensure the work continues to evolve, thrive and break new ground.*

*This means necessarily challenging both ourselves and the senior staff of the Foundation to find the best model for future success.*

*We can all see that the threats on development, prosperity and peace are immense. If we are genuinely committed to making a difference, then we must be open minded about the future.*

*Opportunities arise from time to time that require careful consideration. Last year Tony Blair offered us the opportunity to join a new not-for-profit entity to be established by him, the Tony Blair Institute for Global Change (TBIGC).*

*The questions put to us were straightforward but challenging. What was best for the work that we do? What would ensure we could continue to develop in the future? Although structures and labels are of course vital for all charitable endeavours, these were the key questions for us as Trustees.*

*We were offered to develop the Foundation's work on a far greater scale offering the opportunity for greater impact. Globalisation can be a driver for prosperity and peace. But too often, ineffective governance and extremism stand in the way of progress. The TBIGC will focus on helping countries and their people take on these challenges.*

*Having gone through the plans in detail we judged that this presented an exciting opportunity to take our existing work to the next level. Working with our new colleagues in this organisation, such as those from the Africa Governance Initiative, we will focus on particular countries where extremism is a major challenge. Increased access to new ideas and connections will better equip our teams on the ground and strengthen our fundraising approach, all within a fully transparent and auditable structure.*

*Following detailed consideration, including legal and regulatory consultation, we have decided to merge the Foundation's staff and work into this new not-for-profit entity, the TBIGC.*

## INTRODUCTION AND VISION (continued)

*This will mean that over the next few months, the Foundation will monitor the assets which have been transferred, and then will be wound up and dissolved as a charitable entity. We are grateful to the Charity Commission for their regulatory advice. The Commission is satisfied that we as Trustees are acting reasonably in making this decision.*

*Our objective as Trustees has always been to fulfil our mission in a sustainable manner and have the greatest impact possible. Fulfilling that objective has been the driving force behind this important decision and we are confident we have acted in the best interests of all concerned.*

## OUR APPROACH

In 2016/17, our Centre on Religion & Geopolitics staff tracked religious extremist groups operating in over 40 countries, with all the human and societal cost that entails. Through our programmatic work – whether giving students and teachers from Pakistan to Palestine the skills to navigate complex ideas and diversity in a peaceful way, giving religious leaders skills to tackle extremism in northern Nigeria, or informing international policymakers on how to practically counter the religious dimensions of conflict – we believe we have helped build global capacity to defy destructive ideologies effectively.

But, as the nature of the challenge evolves, so must our response. We think that without political leadership, religious extremism cannot be tackled effectively. That is why, this year, we advocated for governments to be accountable for their education systems. This means tackling difficult issues head on: reforming education systems by changing curricula, evaluating and improving teaching resources and training, and preventing the teaching of intolerance or prejudice.

The main users of the Foundation's services are members of the general public in the UK and globally; school children; policy makers; teachers; governments; religious leaders; international institutions; community activists; and the media.

We are not a religious organisation – the Foundation works with all those of faith, and none, committed to helping us fulfil our mission. We generate new ideas and share resources so that they can have greater impact on the ground.

## WHERE WE WORK

In 2016/17, the Foundation worked in 20 countries around the world including: Canada, Egypt, Hong Kong, India, Indonesia, Israel, Italy, Jordan, Kosovo, Lebanon, Mexico, Nigeria, Pakistan, the Palestinian Territories, Philippines, Sierra Leone, the United Kingdom, Ukraine, the United Arab Emirates, and the United States of America.

## **ACTIVITIES AND ACHIEVEMENTS:**

### **RESEARCH: CENTRE ON RELIGION & GEOPOLITICS**

The Centre on Religion & Geopolitics (CRG) is our international affairs think tank. In 2016/17, its second year, the Centre on Religion & Geopolitics produced two major research projects.

In partnership with Digitalis, a digital intelligence firm with bespoke online threat monitoring technology, CRG published its fourth major report: "A War of Keywords: How extremists are exploiting the Internet and what to do about it". Looking beyond social media, we employed an innovative approach to better understand how and why Islamist extremist content is prevalent in the online search landscape while counter-narratives lag. The report found that counter-extremist messages failed to appear on the first two pages of the search results – the only pages read by 98% of internet users. The report was covered in the UK media and reached British, US and European government officials. Additionally, talks were held with the relevant technology firms, to discuss our policy recommendations and how they could complement their approach.

"Milestones to Militancy", also covered by UK media, analysed the biographies of 100 prominent jihadis from 41 countries, and 49 groups, across the Middle East and Africa. The report explored how prominent militants made their journey to jihad.

Throughout 2016/17, CRG injected its analysis into the global counter extremism conversation. Our well-informed analysts provided nuanced commentary on the interaction between religion and extremism. Topics have included a variety of issues, from attacks in European countries, martyrdom, Pakistan's blasphemy law, the threat to Belgium, Libya, Turkey, the Houthi movement, and female militancy. We strive to drive the news agenda on a range of relevant issues, and contribute to making the case for a unified approach to counter-extremism, based on the evidence of the intractable nature of the crisis. In August 2016, when multiple French municipalities adopted a ban on women wearing 'burkinis' in public, our commentary in CNN reached over 30 million readers. Our spokespeople also discussed this issue on major UK and international media outlets.

### **Global Extremism Monitor**

In January 2016, CRG launched the Global Extremism Monitor, which tracks religious extremism and worldwide country responses to it. The Monitor also produces summaries of major trends and worldwide significant developments in this field. Featured on Al Arabiya, and used by governments across the world, the Monitor is the only data source that focuses solely on religious extremism. Our Global Extremism Monitor demonstrates the devastating effect religious extremist violence is having across the globe.



## **EDUCATION**

Education is one of the most effective tools we have in countering prejudice and destructive ideologies based on a perversion of religion. The role education can play in preventing extremism is now internationally recognised.

In 2014, the United Nations Security Council passed Resolution 2178 with a specific, but solitary, reference to the role of education in preventing extremism. Since then, the UN Secretary General, UNESCO, and the Global Counter-Terrorism Forum have made it a core aspect of their extremism prevention strategies. Evidence shows that simply increasing access to education and vocational training does not prevent extremism. What is needed is access to quality education that opens minds; that equips young people with the critical thinking, dialogue skills, and interreligious and intercultural knowledge to understand and respect one another.

Since 2008, we have reached over 9,000 educators and nearly 250,000 young people across the world with our pioneering education programme, Generation Global. It has helped young people in over 20 countries to be resolute in the face of narratives that may feed into the development of violent ideologies, whilst giving them skills and experiences to help build open-minded and stable societies.

During 2016/17 we continued to work with governments and multi-lateral agencies to call for a global commitment on educating against extremism.

In December 2016, we launched a new three-phase pilot, Compass, that aims to support young women to realise their potential and develop a strong sense of identity and belonging to British society. Through group mentoring, the project is supporting east London students aged 15 to 17 to explore and broaden their career aspirations, to negotiate barriers to higher education and the workplace, and to navigate the challenging ideas they may encounter during their transition to adulthood.

### **EDUCATION: GENERATION GLOBAL**

In 2016/17, we rebranded our schools programme, Face to Faith, as Generation Global. The programme builds upon our prior experience of connecting young people through global dialogue. It places the experience of meaningful dialogue at its heart, giving young people the tools to establish and articulate truly global citizenship.

During 2016/17 we also launched a new website and introduced further resources and activities to enhance the experience for our students and their teachers.

Generation Global gives young people around the world better communication skills. It encourages intercultural, religious and digital literacies, improves critical thinking and, enables students to build a culture of understanding. The programme supports them to navigate diversity successfully, and to analyse critically the ideas and narratives they may encounter.

## **EDUCATION: GENERATION GLOBAL (continued)**

These are universally recognised as crucial skills that all young people need to develop as individuals, and also to flourish as global citizens of the future. During this reporting period alone, over 60,000 new students have used Generation Global materials in the classroom and thousands have connected with their international peers through our facilitated videoconferences.

## **SUPPORTING LEADERS**

Tackling religious extremism requires the support and initiative of religious leaders. We develop projects to help leaders to address extremism within their own spheres of influence, supporting them to identify and resolve challenges in their own communities. We do this by incubating mutually supporting and scalable pilot programmes in partnership with both local civil society organisations and leading international institutions.

Our 'train the trainer' model provides local partners with support on training course design, delivery, monitoring and evaluation, as well as the resources to build institutional capacity. Support is delivered through intense 5-day courses to local partners, who in turn deliver step-down training to local religious leaders, and provide ongoing support to the growing network of participant leaders and wider communities.

The programme empowers religious leaders as agents of change to develop and take local ownership of initiatives to counter religiously characterised hate-speech and extremist narratives in their own communities.

## **SUPPORTING LEADERS: IN NIGERIA**

Nigeria is 'High Alert' on the Fragile States Index<sup>1</sup>. Conflict in Nigeria continues to be driven by a complex combination of corruption, weak governance, competition for scarce resources, social inequality, unemployment, ethno-religious tensions, extreme religious ideology and perceptions of injustice. These drivers of conflict have been exacerbated by the impact on the economy of recent falls in the price of oil, a major source of revenue for Nigeria.

In the north-east, Boko Haram (translated as 'Western education is forbidden'), and others, continue their attempts to overthrow the Nigerian state and establish an Islamic state. Their ideology is Salafi-jihadism - a transnational religious-political ideology based on a belief in violent jihad to enforce a return to a perceived Islam of the Prophet Mohammad's first followers. In 2015 Boko Haram was reported to have seized territory of 20,000 square kilometers, roughly the size of Belgium and declared both a Caliphate and allegiance to ISIS.

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<sup>1</sup> The Fund for Peace, Fragile States Index, 2016.

### **SUPPORTING LEADERS: IN NIGERIA (continued)**

The conflict has resulted in an estimated 2.1 million internally displaced people. Many thousands more have fled to the neighbouring states of Cameroon, Chad and Niger, further contributing to regional instability. The government, supported by the Multi National Joint Task Force established by Nigeria, Niger, Cameroon, Chad and Benin, continues to retake ground in its increasingly comprehensive campaign against the group. However, as the US State Department's recent report on global terrorism states, the Multi National Joint Task Force continues to have difficulty holding cleared areas and rebuilding civilian institutions, especially in Nigeria. As a result, Boko Haram and its destructive ideology remains a threat to the security and development of the northeast and beyond.

Religious leaders are amongst the most respected and influential leaders in their local communities, and deplore the exploitation of Islam by Boko Haram to justify and inspire terrorism. However, they often lack the training, resources, and support they need to prevent Boko Haram from propagating their ideology, recruiting for their cause, and exploiting religious identity for political ends. We recognise that the systemic and proximate drivers of conflict are complex, and that building effective local partnerships and collaboration are essential for sustainability and, ultimately, success.

Building on our previous work in Nigeria, in 2016/17 we established a new partnership with the Development Initiative of West Africa (DIWA), which works closely with a number of grassroots Islamic organisations. Our collaborative pilot project will support 30 Imams from northern states to play a leading role in promoting positive narratives, and to model intra and inter-religious understanding to counter divisions in their communities.

### **SUPPORTING LEADERS: IN EGYPT**

Cairo's al-Azhar University and Mosque are at the heart of mainstream Sunni identity, training huge numbers of future Muslim leaders and influencing religious leadership across the Middle East and beyond.

During 2016/17, we have built on our strategic partnership with the World Association of al-Azhar Graduates (WAAG), which seeks to deepen the understanding and communication of mainstream religious thinking and cooperation in a globalised world. Following the success of our 2015 pilot project, during this reporting period we started a 10-week course for 28 Muslim leaders selected from across Africa.

The course equips participants to play a leading role in promoting positive narratives of understanding and engagement to counter narratives of hatred and division in their local communities.

### **SUPPORTING LEADERS: IN SIERRA LEONE**

In 2016/17, after five successful years of operation, we transitioned the work of the Foundation's flagship programme in Sierra Leone, Faiths Act, to others who can continue its vital work. During this reporting period, a local organisation in Sierra Leone assessed the effectiveness of Faiths Act in changing attitudes, behaviours and practices to prevent malaria through increased cohesion between faith groups.

### **SUPPORTING LEADERS: IN SIERRA LEONE (continued)**

The full evaluation, a quantitative survey of 1,586 people from nearly 700 households, 36 qualitative focus groups, and key informant interviews, was undertaken. Initial findings evidenced that religious leaders can be positive agents of behaviour change in Sierra Leone.

As a result of their work, 85% of volunteers reported an increase in positive interactions between different faith groups in their communities. This suggests that locally-owned approaches, using existing community networks, could be replicated to address other social challenges in similar contexts.

### **FUTURE PLANS**

Having successfully transitioned operations to the Tony Blair Institute for Global Change (TBIGC) from the 1 March 2017, the next twelve months will be an exciting time for the development and expansion of our programmes. The programmes will optimise the use of synergies across TBIGC, working with new colleagues in existing and new worldwide territories, from a broader base of fundraising.

During the next twelve months our future plans include:

- Growing our Generation Global programme and advocating its pedagogy in key regions.
- Developing upon the success of our pilot mentoring programme 'Compass', and expanding its reach beyond the current east London area.
- Expanding upon the success of our Supporting Leaders programmes in both Nigeria and Egypt. We will continue to develop the capacity of local institutions, supporting religious and traditional leaders, in identifying and tackling religious extremism in their communities. The model will be developed further to replicate pilots in other contexts and with the use of female leaders.
- Our research programme will continue to monitor, analyse, and report on, the interaction of religion and conflicts around the world. We will be developing a pilot project to tackle the dominance of extremist material in the online search engine landscape, identified by our 2016 report '*A War on Keywords*'.

### **GOVERNANCE, STRUCTURE AND MANAGEMENT**

#### **Governance**

The Foundation operates as a company limited by guarantee, under the terms of its Memorandum and Articles dated 2 April 2007. The Trustees, as charity Trustees, have control of the Foundation and its property and funds.

The Trustees have the power to establish a Finance, Audit & Risk Committee and a Nominations Committee. Given their small number they have decided to remain directly responsible for ensuring good governance and the safe application of the charity's assets. As such, the Committees have not needed to be convened.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Governance (continued)**

The following Trustees served throughout the year and up to the date of approval of these accounts except as shown:

#### **Trustees**

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Jeremy Sinclair (Chairman)  
Sir Michael Barber  
Robert Clinton (until 28 February 2017)  
Baroness Gail Rebus (until 28 February 2017)  
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Under the Foundation's Articles of Association, a Trustee may be appointed or removed by resolution of the Trustees. Regard is had to the skills mix of the Trustees to ensure that the Foundation's Board has the necessary skills required to contribute fully to the Foundation's development. For this purpose the Chairman maintains a list of the relevant skills such that any additional or replacement skills may be identified and sought when particular Trustees retire. An ad hoc appointments group is established by the Chairman to consider the skills and personal profile of the individual whose appointment would best contribute to the needs of the Foundation.

#### **Trustee induction and training**

The Trustees recognise that new Trustees need to be aware of the Foundation's charitable purposes, modus operandi, and its strategic plans. All new Trustees are provided with briefings by the Chairman and Chief Executive together with an induction pack including a governance pack and relevant briefings and guidance from the Charity Commission. Trustees are kept informed of developments in the law and accounting practices by their professional advisers and the Foundation's senior executives.

#### **Key management personnel**

The Trustees consider that they, together with the senior management team, comprise the key management of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis.

Changes in remuneration for the Foundation's key personnel are submitted in writing by the Chief Executive to the Trustees for discussion during formal Board meetings. Benchmarking is carried out against similar roles advertised by national and international organisations that the Foundation compares to. The chosen organisations may be similar to the Foundation in terms of scope and reach of their projects, numbers employed, income levels, or their level of success on a national or international basis. We also take into account salary surveys that are published by various organisations for the charity sector.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Patron's role**

The Patron assists, for the benefit of the Foundation, the development and fulfilment of its aims and objectives. The Patron also generally promotes the Foundation and its activities, and supports the Foundation in generating funding. The Patron undertakes his role on a pro-bono basis.

The Trustees and Patron have agreed a memorandum to confirm the regulations governing the relationship between them. The Trustees would like to record their thanks to the Patron for his ongoing support. The Trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Statement of Trustees' responsibilities**

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Statement of Trustees' responsibilities (continued)**

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

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

### **Structure and management reporting**

Meetings of the Trustees take place at least quarterly, informed as necessary by recommendations from the Chief Executive and Foundation's key personnel.

A Chief Executive is appointed by the Trustees to manage the day to day operations of the Foundation and to ensure the overall implementation of the organisational strategy which is agreed by the Trustees. There is regular communication between the Chief Executive and the Trustees.

### **Working with other organisations**

The Foundation works with a number of other organisations - through formal contracts and through informal collaboration - in the UK and beyond to help it achieve its goals and pursue its charitable objectives. This from time to time involves the Foundation acting as a partner or a grant recipient.

From 1 March 2017 TBIGC has been supplying monthly reports to the Foundation, detailing activity and spend of the charitable funds, as agreed under the Transfer Agreement.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk management

The Foundation's key risks and mitigation strategies are reviewed and agreed annually by the Trustees. Regular communication between the Trustees and the Chief Executive ensure the Trustees are informed immediately of arising problems and solutions in relation to any of the key risks. The key risks which faced the Foundation during the period and which will face TBIGC in the year ahead are described below:

<u>Risk Description</u>	<u>Mitigation of the Risk</u>
Organisational Change: a problem arises as a result of the decision to transfer operations to the Tony Blair Institute for Global Change	The Trustees mitigated this risk by seeking in-depth legal, financial, and regulatory advice before agreeing to the Patron's offer to transfer operations from the 1 March 2017. Staff welfare, donor support, and programme continuity were primary concerns of the Trustees, and these were fully addressed as part of the due diligence and merger process.
Financial: material reduction in the value of cash assets.	The Foundation's investment policy is risk adverse, as set by the Trustees. Risk free term deposits (as determined by cash flow forecasting) are used by the Foundation to generate a return on capital employed. Professional advice would be commissioned if significant riskier investments were to be considered.
Financial: effective fundraising in a challenging climate	The Foundation has an experienced fundraising team that manages the cultivation of long term donors. The team seek multi-year donation agreements wherever possible and draw upon the profile of our Patron to identify new donors and deepen the relationship with current donors.
Reputational: damage arising from the actions of the Foundation, its employees or third parties.	The strategic and operational business plans are approved by the Trustees before implementation by the Foundation's senior team. Specialist advisors are used by the Trustees and the senior team as needed. In regard to employees the Foundation has a thorough recruitment and induction process and established employees have regular training and managerial evaluations. If the Foundation and a third party enter into a contract this point is reached after considerable due diligence and the achievements of the relationship are regularly evaluated.



## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### Risk management (continued)

<u>Risk Description</u>	<u>Mitigation of the Risk</u>
Regulatory: non-compliance with relevant regulations	Implementing programmes on a national and international scale requires compliance with many regulatory authorities. The Foundation mitigates the risk of non-compliance by employing experienced staff and taking advice from recommended advisors.
Operational: safety of staff and contractors	Safety is regularly reviewed at all levels of the organisation with security specialists being sought where needed. Our programmes sometimes require travel to other countries and each trip is individually risk assessed before the trip occurs and the assessment continues while the trip is in progress.

## RELEVANT POLICIES

### Investment policy

The investment strategy is set by the Trustees and takes into account income requirements, the investment risk profile and future expenditure commitments. The Foundation's investment policy currently is to hold cash balances on term deposits with banks regulated in the UK. The Foundation's investment policy is considered by the Trustees at regular intervals. The Trustees are satisfied with the performance of the investments and that their investment objectives are being met.

## FINANCIAL REVIEW

### Financial report for the period

A summary of the income and expenditure for the period can be found on page 19.

Overall income for the period to 28 February 2017 increased to £4,440,000 (year ended 31 December 2015 - £4,067,000). Restricted income for the period to 28 February 2017 accounted for 89% (2015 - 53%) of the total income raised. During the period, the Foundation raised unrestricted funds of £483,000 (year ended 31 December 2015 - £1,922,000) to contribute towards core and programme costs. Other categories of income include interest receivable and gifts in kind.

## **FINANCIAL REVIEW (continued)**

### **Financial report for the period (continued)**

Total expenditure increased during the period to 28 February 2017 to £4,217,000 (year ended 31 December 2015 - £2,848,000) of which 97% (£4,098,000) (2015 - £2,652,000) related to the Foundation's charitable activities. Other expenditure relates to costs of raising funds.

### **Reserves policy**

The Foundation carries out a diverse range of activities, some of which comprise short term and externally funded projects, whilst others comprise long term projects requiring significant on-going financial commitment and investment.

The Trustees have examined annually the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. In previous years, the Trustees have considered that, given the nature of the charity's work, the level of free reserves should be equivalent to 6 months of core expenditure to meet future costs of the Foundation – core expenditure being salaries and premises costs.

The Trustees' opinion has been that this provided sufficient flexibility to cover temporary shortfalls in income due to the timing differences in income flows, adequate working capital to cover core costs, and would allow the charity to cope and respond to unforeseen emergencies whilst specific action plans were implemented.

On 1 March 2017, the assets and liabilities of the charity were transferred to TBIGC, except for £1,250,000 held in the bank account (see note 19). The Trustees consider that the free reserves of £1,250,000 will be sufficient to meet the needs of the charity as its operations are wound down. The use of the funds transferred to TBIGC will be monitored by the Chief Executive and the Trustees of the charity to ensure they are spent appropriately.

### **Financial position**

The Foundation's balance sheet shows total funds of £4,193,000 (31 December 2015 - £3,970,000), of which £1,752,000 were restricted at 28 February 2017 (31 December 2015 - £1,827,000). Unrestricted funds were £2,441,000 at 28 February 2017 (31 December 2015 - £2,143,000).

These funds are represented by tangible fixed assets with a net book value of £137,000 (31 December 2015 - £274,000) and free reserves of £2,304,000 (31 December 2015 - £1,869,000).

The Trustees acknowledge that the level of free reserves held is in excess of that set out in the reserves policy above. These reserves, except for £1,250,000 were transferred to the Tony Blair Institute for Global Change on the 1 March 2017 (as per note 19, post balance sheet event) and the Trustees and Chief Executive will monitor the expenditure of all these reserves including those transferred to TBIGC, via a monthly reporting process.

**FINANCIAL REVIEW** (continued)

**The charity's assets**

Acquisitions and disposals of fixed assets during the period are recorded in the notes to the financial statements.

Approved by the Trustees and signed on their behalf:



Jeremy Sinclair, Chair of Trustees

Approved by the Trustees on 17 October 2017

### **Independent auditor's report to the members of The Tony Blair Faith Foundation**

We have audited the financial statements of The Tony Blair Faith Foundation for the period ended 28 February 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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.

### **Respective responsibilities of Trustees and auditor**

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 28 February 2017 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

### **Matters on which we are required to report by exception**

In 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 to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Catherine Biscoe, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

18 October 2017

Statement of financial activities **Period to 28 February 2017**

		Unrestricted funds £'000	Restricted funds £'000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
	Notes				
<b>Income from:</b>					
Donations	1	456	3,957	4,413	4,059
Charitable activities	2	18	-	18	-
Interest receivable	3	9	-	9	8
<b>Total income</b>		<b>483</b>	<b>3,957</b>	<b>4,440</b>	<b>4,067</b>
<b>Expenditure on:</b>					
Raising funds	4	(119)	-	(119)	(196)
Charitable activities					
Supporting Leaders	5	-	(1,079)	(1,079)	(818)
Education	5	-	(1,328)	(1,328)	(977)
Research	5	(46)	(1,370)	(1,416)	(732)
Advocacy	5	(20)	(255)	(275)	(125)
<b>Total expenditure</b>		<b>(185)</b>	<b>(4,032)</b>	<b>(4,217)</b>	<b>(2,848)</b>
<b>Net movement in funds and net income (expenditure)</b>	7	<b>298</b>	<b>(75)</b>	<b>223</b>	<b>1,219</b>
<b>Fund balances brought forward at 1 January 2016</b>		<b>2,143</b>	<b>1,827</b>	<b>3,970</b>	<b>2,751</b>
<b>Fund balances carried forward at 28 February 2017</b>		<b>2,441</b>	<b>1,752</b>	<b>4,193</b>	<b>3,970</b>

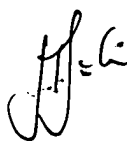
All of the charitable company's activities derived from continuing operations during the above two financial periods. However, on 1 March 2017, certain assets and liabilities were transferred to the Tony Blair Institute for Global Change, as set out in note 19.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet As at 28 February 2017

	Notes	28 February 2017 £'000	28 February 2017 £'000	31 December 2015 £'000	31 December 2015 £'000
<b>Fixed assets</b>					
Tangible assets	11		137		274
<b>Current assets</b>					
Debtors due after one year	12	563		883	
Debtors due within one year	12	660		754	
Short term deposits		-		1,500	
Cash at bank and in hand		3,189		935	
		<u>4,412</u>		<u>4,072</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(356)</u>		<u>(376)</u>	
<b>Net current assets</b>			<u>4,056</u>		<u>3,696</u>
<b>Total net assets</b>			<u>4,193</u>		<u>3,970</u>
 <b>The funds of the charity</b>					
Restricted funds	14		1,752		1,827
Unrestricted funds					
General fund			<u>2,441</u>		<u>2,143</u>
<b>Total charity funds</b>			<u>4,193</u>		<u>3,970</u>

Approved by the Trustees and signed on their behalf by:



JEREMY SINCLAIR

Approved on 17 October 2017

Companies House registration number – 06198959 (England and Wales)

Statement of cash flows Period to 28 February 2017

	Notes	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	748	535
<b>Cash flows from investing activities</b>			
Interest received		9	8
Purchase of tangible fixed assets		(3)	(269)
Net cash provided by (used in) investing activities		6	(261)
<b>Change in cash and cash equivalents</b>		754	274
Cash and cash equivalents at 1 January 2016		2,435	2,161
Cash and cash equivalents at 28 February 2017	B	3,189	2,435

Notes to the statement of cash flows for the period to 28 February 2017

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2017 £'000	2015 £'000
Net movement in funds (as per the statement of financial activities)	223	1,219
Adjustments for:		
Depreciation charge	140	58
Interest receivable	(9)	(8)
Decrease (increase) in debtors	414	(883)
(Decrease) increase in creditors	(20)	149
Net cash provided by operating activities	748	535

**B Analysis of cash and cash equivalents**

	2017 £'000	2015 £'000
Cash at bank and in hand	3,189	935
Notice deposits (less than 3 months)	-	1,500
Total cash and cash equivalents	3,189	2,435



## **Principal accounting policies Period to 28 February 2017**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of accounting**

These financial statements have been prepared for the 14 month period to 28 February 2017 with comparative information provided in respect to the year to 31 December 2015.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets
- estimating staff time allocated to support costs (see Note 6).

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period up to one year from the date of approval of these financial statements, and have included in their assessment the fact that from the 1 March 2017 operations were transferred to the Tony Blair Institute for Global Change (TBIGC).

On the basis that the activities of the charity will continue within TBIGC, the Trustees have concluded that it is appropriate for the financial statements to be prepared on a going concern basis. The Trustees are also of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due, up to the date that it is wound up during the next fiscal year.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, income from charitable activities and interest receivable.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided or the facilities are used by the charity. An equivalent amount is included as expenditure.

Donated services and 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 facilities or services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising, and an allocation of support costs.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs, grants and overheads.

## Principal accounting policies Period to 28 February 2017

### **Expenditure recognition (continued)**

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Staff related costs are allocated on the basis of time spent. Support costs and governance costs are allocated on basis of apportioned staff time.

### **Leased assets**

Rentals applicable to operating leases under which substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

### **Tangible fixed assets**

Tangible fixed assets costing in excess of £500 are capitalised and depreciated at the following annual rates on a straight line basis in order to write them off over their estimated useful lives:

Fixtures and fittings	3 years
IT and telecommunications equipment	3 years

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. General funds represent those monies which are freely available for application towards delivering any charitable purpose that falls within the charity's objects.

### **Debtors**

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

## **Principal accounting policies Period to 28 February 2017**

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

### **Creditors**

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

### **Pension costs**

The Foundation provides a stakeholder pension scheme for its employees. The assets of the stakeholder scheme are held separately and are independently administered funds. The Foundation makes a capped contribution to the stakeholder pension scheme in addition to amounts that are paid by its employees who choose to participate in the scheme.

**1 Income from donations**

	Unrestricted funds £'000	Restricted funds £'000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Donations	448	3,957	4,405	4,035
Donated services and facilities	8	-	8	24
<b>2017 Total funds</b>	<b>456</b>	<b>3,957</b>	<b>4,413</b>	<b>4,059</b>
2015 Total funds	1,914	2,145	4,059	

**2 Income from charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Programme activities	18	-	18	-
<b>2017 Total funds</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>-</b>
2015 Total funds	-	-	-	

**3 Income from interest receivable**

	Unrestricted funds £'000	Restricted funds £'000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Bank interest	9	-	9	8
<b>2017 Total funds</b>	<b>9</b>	<b>-</b>	<b>9</b>	<b>8</b>
2015 Total funds	8	-	8	

**4 Expenditure on raising funds**

	Direct costs £'000	Support costs £'000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Expenditure on raising funds				
• Staff costs	91	-	91	135
• Premises costs	-	6	6	17
• Other costs	5	17	22	44
	<b>96</b>	<b>23</b>	<b>119</b>	<b>196</b>

Expenditure on raising funds in both the above financial periods related to unrestricted funds only.

**5 Expenditure on charitable activities**

	Activities undertaken directly £'000	Support costs £'000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
<b>Supporting Leaders</b>				
. Staff costs	361	56	417	412
. Premises costs	-	29	29	53
. Other costs	551	82	633	353
	<u>912</u>	<u>167</u>	<u>1,079</u>	<u>818</u>
<b>Education</b>				
. Staff costs	706	115	821	628
. Premises costs	-	56	56	80
. Other costs	293	158	451	269
	<u>999</u>	<u>329</u>	<u>1,328</u>	<u>977</u>
<b>Research</b>				
. Staff costs	839	127	966	454
. Premises costs	-	62	62	58
. Other costs	214	174	388	220
	<u>1,053</u>	<u>363</u>	<u>1,416</u>	<u>732</u>
<b>Advocacy</b>				
. Staff costs	133	21	154	88
. Premises costs	-	10	10	12
. Other costs	82	29	111	25
	<u>215</u>	<u>60</u>	<u>275</u>	<u>125</u>
	<u>3,179</u>	<u>919</u>	<u>4,098</u>	<u>2,652</u>

Other direct costs comprise expenditure incurred in delivering the Foundation's charitable programmes and include the cost of engagement events, stakeholder communications, conferences, public events and campaigns.

	Unrestricted funds £'000	Restricted funds £'000	Period to 28 February 2017 Total funds £'000
<b>Expenditure on charitable activities</b>			
. Supporting Leaders	-	1,079	1,079
. Education	-	1,328	1,328
. Research	46	1,370	1,416
. Advocacy	20	255	275
	<u>66</u>	<u>4,032</u>	<u>4,098</u>

## 5 Expenditure on charitable activities (continued)

	Unrestricted funds £'000	Restricted funds £'000	Year to 31 December 2015 Total funds £'000
Expenditure on charitable activities			
. Supporting Leaders	573	245	818
. Education	314	663	977
. Research	94	638	732
. Advocacy	68	57	125
	<b>1,049</b>	<b>1,603</b>	<b>2,652</b>

## 6 Support costs

The following support costs which include governance costs have been allocated based on staff time attributable to each activity:

	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Staff costs	319	166
Premises costs	163	220
Other costs	460	462
	<b>942</b>	<b>848</b>

Other costs include legal and professional costs of £147,302 (year ended 31 December 2015 - £76,000), communications costs of £12,460 (year ended 31 December 2015 - £30,000), operating costs of £160,710 (year ended 31 December 2015 - £269,000) and other administrative expenses of £140,488 (year ended 31 December 2015 - £58,000).

## 7 Net movement in funds and net income (expenditure)

This is stated after charging:

	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Staff costs (note 8)	2,457	1,717
Auditor's remuneration		
. Statutory audit services	17	19
. Tax advisory services	2	5
. Assurance services other than statutory audit and under accrual from previous year	-	5
Operating lease rentals	143	211
Depreciation	140	58

## 8 Staff costs and remuneration of key management personnel

Staff costs during the period were as follows:

	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Wages and salaries	2,097	1,516
Social security costs	225	170
Pension costs	62	31
	<b>2,384</b>	<b>1,717</b>
Subcontractor costs and related charges	73	-
	<b>2,457</b>	<b>1,717</b>

During the period ended 28 February 2017 there were £72,734 subcontracted consultancy costs (year ended 31 December 2015 - £nil ) incurred by the Foundation in respect to its charitable activities.

The average number of employees during the year, calculated on an average headcount basis, analysed by function, was as follows:

	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Raising funds	1.5	2.5
Charitable activities		
. Supporting Leaders	6.1	7.4
. Education	12.7	11.5
. Research	13.9	8.2
. Advocacy	2.2	1.6
Governance of the charity	2.8	1.4
	<b>39.2</b>	<b>32.6</b>

At 28 February 2017 the Foundation had 44 (year ended 31 December 2015 - 37) employees.



**8 Staff costs and remuneration of key management personnel (continued)**

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the period was as follows:

	<b>Period to 28 February 2017 Total funds £'000</b>	<b>Year to 31 December 2015 Total funds £'000</b>
£60,001 - £70,000	5	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	2
£100,001 - £110,000	2	1
£110,001 - £120,000	1	-
£150,001 - £160,000	1	-

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees and the senior management team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the fourteen month period was £548,428 (year ended 31 December 2015 - £427,818).

**9 Trustees' remuneration**

None of the Trustees received any remuneration in respect of their services or reimbursement of out of pocket expenses during the period ended 28 February 2017 or during the year ended 31 December 2015.

**10 Taxation**

The Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The charity is unable to reclaim VAT suffered on expenditure. Irrecoverable VAT suffered during the period amounted to £1,339,406 (year ended 31 December 2015 - £421,549).

**11 Tangible fixed assets**

	Fixtures & Fittings £'000	IT and telecommuni- cations equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2016	256	97	<b>353</b>
Disposals	-	(7)	<b>(7)</b>
Additions	-	3	<b>3</b>
At 28 February 2017	<b>256</b>	<b>93</b>	<b>349</b>
<b>Depreciation</b>			
At 1 January 2016	25	54	<b>79</b>
Disposals	-	(7)	<b>(7)</b>
Charge for period	100	40	<b>140</b>
At 28 February 2017	<b>125</b>	<b>87</b>	<b>212</b>
<b>Net book values</b>			
At 28 February 2017	<b>131</b>	<b>6</b>	<b>137</b>
At 31 December 2015	<b>231</b>	<b>43</b>	<b>274</b>

**12 Debtors**

	28 February 2017 £'000	31 December 2015 £'000
<b>Due after one year</b>	<b>£'000</b>	<b>£'000</b>
Accrued income	<b>563</b>	<b>883</b>

This relates to donations that have been agreed by funders, that will be received more than one year after the balance sheet date. The donors have agreed to pay the future commitments to TBIGC, for charitable purposes, on the same basis as the original donation terms.

	28 February 2017 £'000	31 December 2015 £'000
<b>Due within one year</b>	<b>£'000</b>	<b>£'000</b>
Prepayments and accrued income	<b>556</b>	<b>650</b>
Rent deposit – premises	<b>100</b>	<b>101</b>
Other debtors	<b>4</b>	<b>3</b>
	<b>660</b>	<b>754</b>

**13 Creditors: amounts falling due within one year**

	28 February 2017 £'000	31 December 2015 £'000
Expense creditors	<b>192</b>	<b>167</b>
Accruals and deferred income	<b>164</b>	<b>209</b>
	<b>356</b>	<b>376</b>

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes.

Fund balances held at 28 February 2017 comprise:

	At 1 January 2016 £'000	Income £'000	Expenditure £'000	At 28 February 2017 £'000
Education	124	61	(131)	54
Tony Blair Faith Foundation-US	1,204	3,650	(3,241)	1,613
Research	93	2	(77)	18
Supporting Leaders	406	244	(583)	67
	<b>1,827</b>	<b>3,957</b>	<b>(4,032)</b>	<b>1,752</b>

Fund Name	Restricted use of Fund
Education	To support the wider global development of the Generation Global schools programme, including independent evaluation.
Tony Blair Faith Foundation-US	To support all of the Foundation's programmes that are aligned with the mission statement of the Tony Blair Faith Foundation US, which includes our education programme, Centre on Religion and Geopolitics, and Global Commitment.
Research	To support the Centre on Religion and Geopolitics programmes which presents informed analysis on the interaction of religion and conflict globally. The fund also supports policy and research activities.
Supporting Leaders	To support the Faiths Act programme in Sierra Leone which brings religious leaders together to deliver life saving malaria prevention messages to their congregations and communities. The fund also supports programme activities in Nigeria and Egypt, which aims to strengthen intercultural dialogue in the country.

**15 Analysis of net assets between funds**

	General fund £'000	Restricted funds £'000	28 February 2017 Total £'000
<b>Fund balances at 28 February 2017</b>			
<b>are represented by:</b>			
Tangible fixed assets	137	-	137
Net current assets	2,304	1,752	4,056
<b>Total net assets</b>	<b>2,441</b>	<b>1,752</b>	<b>4,193</b>

## **16 Leasing commitments**

### **Operating leases**

At 28 February 2017 the Foundation had total commitments under non-cancellable operating leases (in respect to land and buildings) as follows:

	<b>28 February 2017 £'000</b>	<b>31 December 2015 £'000</b>
Payments falling due:		
Within one year	49	168
Within two to five years	-	915
	<b>49</b>	<b>1,083</b>

The property lease, and all associated liabilities, was novated to TBIGC from 15 June 2017.

## **17 Liability of members**

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £10.

## **18 Connected charity**

The Tony Blair Faith Foundation-US was an independent charitable non-stock corporation governed by its Board of Directors. The mission of the Tony Blair Faith Foundation-US was to provide the practical support required to help prevent religious prejudice, conflict and extremism.

The Tony Blair Faith Foundation-US merged with the Tony Blair African Governance Initiative-US on the 1<sup>st</sup> January 2017, and the Tony Blair African Governance Initiative-US remained as the surviving entity.

Grants of £3,649,445 (year ended 31 December 2015 - £1,945,369) were received and accrued by the Foundation from the Tony Blair Faith Foundation-US charity. The grants were restricted and details are included in note 14.

### 19 Post Balance Sheet Event

With effect from 1 March 2017, the activities, assets, liabilities and undertaking carried out by the Tony Blair Faith Foundation were transferred to the Tony Blair Institute for Global Change (TBIGC), a not-for-profit company limited by guarantee incorporated in England and Wales (Company Registration No. 10505963). Certain of the net assets of The Tony Blair Faith Foundation were transferred to the company also as at 1 March 2017.

	2017 £'000
Tangible fixed assets	137
Debtors	1,123
Cash at bank and in hand	1,939
Less: creditors falling due within one year	(356)
Net assets	2,843
Represented by:	
Restricted funds	1,752
Unrestricted funds	1,091
	2,843

The Trustees decided the transfer was in the best interests of the charity having taken the time to consider detailed legal, financial, and regulatory advice including advice from the Charity Commission pursuant to Section 110 of the Charities Act 2011. The Charity Commission confirmed that based on the information provided the Trustees' decision was within the range of reasonable decisions open to them and the Trustees therefore resolved to transfer its assets to TBIGC subject to suitable contractual terms and the agreement of the charity's funders.

The Trustees, with the help of the charity's Chief Executive, will monitor the appropriate expenditure of funds transferred. Once the transferred funds have been spent, the charity will be closed, having successfully transferred all of its staff and programmes to TBIGC.

Under the terms of the transfer agreement, all of the charity's assets and liabilities as at 28 February 2017 were transferred on 1 March to TBIGC, as detailed in the table above, with the exception of:

- The charity's Chief Executive, who will remain as the charity's sole employee to ensure an orderly transition of charitable programmes to TBIGC; to monitor the application of charitable funds; and to assist with the orderly transition and winding up of the charity.
- A cash amount of £1.25m.
- The lease for the rental of the premises at Canary Wharf, and subsequent rent deposit.

**19 Post Balance Sheet Event (continued)**

Having taken professional advice pursuant to Section 119 of the Charities Act 2011 and obtained landlords consents, the lease and rent deposit were formally assigned and novated to TBIGC on 15 June 2017, and subsequently, £572,000 of cash at bank has been transferred from the charity to TBIGC. Retained sums will be used to wind down the charity, with any residual funds transferred to TBIGC to be applied in accordance with the terms of the transfer agreement.