

*Global Innovation Fund
Report and audited financial statements
31st December 2022*



**Report and Audited Financial Statements
for the year ending 31st December 2022**



TRANSFORMING IDEAS INTO IMPACT

The Global Innovation Fund finds and funds innovations with the potential to transform the lives of people living on less than \$5 a day. We are a non-profit multilateral investment vehicle which places rigorous evidence and impact measurement at the core of our investment decision-making process. We back entrepreneurs and innovators with exciting ideas for change and support them on their pathway to impact at scale.

GIF defines innovation broadly. Through grants, loans and equity investments, GIF's portfolio has the potential for outsized social impact, whether through new technologies, business models, policy practices or behavioural insights. Funding climate adaptation and resilience

**GIF'S PATIENT CAPITAL,
FLEXIBLE TERMS AND VENTURE
SUPPORT ENABLE INNOVATIONS
TO BECOME MORE ATTRACTIVE
TO COMMERCIAL INVESTORS**

initiatives has become a central focus of our work – and we are committed to continuing to address the challenges posed to women and girls. We support innovators at all stages of their life cycle, from start-up and pilot-testing through to larger scale implementation.

GIF's patient capital, flexible terms, and venture support enable innovations to become more attractive to commercial investors. The gap we seek to fill is that space before an innovator is ready to seek big money – when risk is high, and the promise of social value is at least as enticing as the potential for financial returns. We seek solutions that can scale up commercially, through the public sector, or through a combination of both, to achieve widespread adoption. We look for new solutions to persistent market failures, in pursuit of social return.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere, and maintain an open application process which is accessible via our website. If you are an innovator with a focus on

**WE BELIEVE THAT THE BEST
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solving hard development challenges in poorer countries, with a commitment to the rigorous generation of evidence and generating impact at scale, we want to hear from you.

At the heart of GIF's work are our smart, industrious and dedicated investees. It is their vision which helps us advance our mission of a world in which people everywhere are living in inclusive, sustainable, and dynamic economies and societies. We thank you for all you do and all you have delivered in 2022.

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In a year when governments needed to do more with less, GIF has shown the transformative power of taking smart risks in international development. We have combined creative investment models with rigorous evidence gathering, demonstrating the value for money and long-term impact that backing social innovation delivers.

PARTNERING WITH LOCAL INNOVATORS

In 2022, we opened a new Singapore office to grow and service our investment portfolio in the Indo-Pacific. We intend to play a bigger role in driving innovation at scale for underserved populations in the region, and to continue our strategic partnerships with local innovators, investors and governments.

This year, GIF invested to address challenges ranging from child marriage to building resilience in supply chains and improving girls' agency and wellbeing. We announced the first innovations to receive investment from our Innovating for Climate Resilience Fund, addressing the urgent need for scalable and

innovative solutions that can strengthen the resilience of the most vulnerable communities to the impacts of climate change.

Innovations in our portfolio are expected to benefit 143m people by 2032. Five of our earliest investments have already created \$1.68bn of net social value, of which \$582m is attributable to GIF.

**OUR NEW INVESTMENTS
ADDRESS CHALLENGES RANGING
FROM CHILD MARRIAGE TO
BUILDING RESILIENCE IN SUPPLY
CHAINS AND IMPROVING GIRLS'
AGENCY AND WELL-BEING.**

Our evidence base shows that there is a robust case for deploying development assistance to fund innovation. We project every dollar that GIF has invested to date will be three times as impactful as if that dollar had been spent on long-lasting, insecticide-treated bed nets

We were delighted to receive a renewed commitment from Global Affairs Canada to strengthen our work enhancing the agency of women and girls and our innovating for Gender Equality Fund. We were also thrilled that SIDA, Sweden's government agency for development cooperation, reaffirmed our partnership, helping us invest in more innovations across the developing world, including those focused on climate adaptation and resilience.

ALIGNING WITH OUR DONORS

These partnerships are compelling examples of how GIF's approach aligns with the strategic priorities of our funders – a point reaffirmed when the UK government, our anchor funder, published its international development strategy in May.

GIF is prepared to accept concessional financial returns to fund innovation that has the potential for outsized social return. Our creative approach to financing addresses the large, unmet demand for blended, risk-taking capital in fragile

places. It also makes our portfolio more investible. Our investments have attracted \$7.50 in capital for every dollar GIF has invested. This includes the vital private sector capital required to deliver against the SDGs.

GIF works with forward-thinking government development agencies, as well as corporate and philanthropic funders. I would like to take this opportunity to thank them for their continued guidance and commitment to scale innovation.



Alex Peterson Zwane PhD
Chief Executive Officer

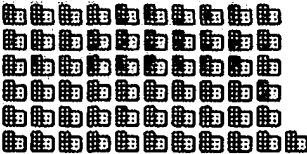
INVESTING IN INNOVATION

\$1.68 BILLION
IN NET SOCIAL VALUE GENERATED BY
JUST FIVE GIF INVESTMENTS

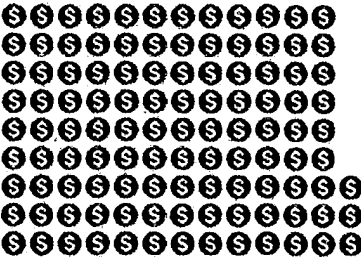


\$582 MILLION
OF WHICH IS ATTRIBUTABLE TO GIF

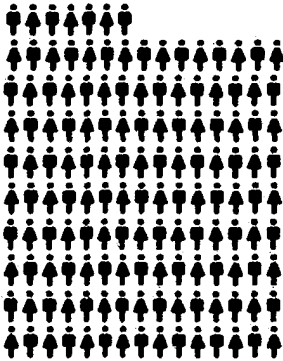
61 INNOVATIONS
BACKED SINCE 2015



30 INNOVATIONS
IN OUR CURRENT PORTFOLIO



\$112,000,000
INVESTED SINCE 2015



143 MILLION
POOR PEOPLE EXPECTED TO BENEFIT BY 2032



36 COUNTRIES
IN WHICH GIF INNOVATIONS OPERATE

INTRODUCING GFI

OUR GLOBAL PRESENCE

INVESTMENT SUMMARY

TOTAL CUMULATIVE \$112,000,000



INVESTMENT BY REGION*

| | |
|-------------------------|---------|
| ● EAST AFRICA | \$20.1M |
| ● WEST AFRICA | \$25.9M |
| ● SOUTH ASIA | \$30.1M |
| ● EAST ASIA AND PACIFIC | \$12.1M |
| ● OTHER | \$13.0M |



NUMBER OF INNOVATIONS BY REGION*

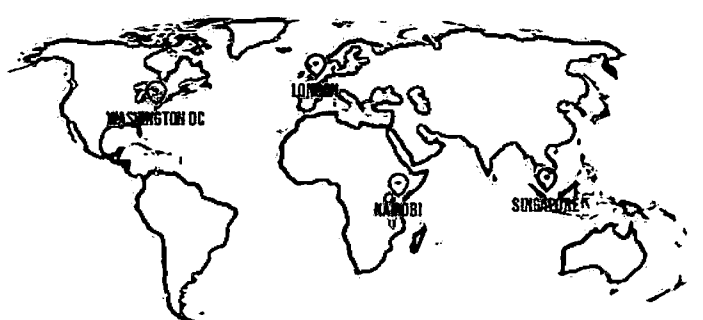
| | |
|-------------------------|----|
| ● EAST AFRICA | 17 |
| ● WEST AFRICA | 12 |
| ● SOUTH ASIA | 15 |
| ● EAST ASIA AND PACIFIC | 5 |
| ● OTHER | 11 |



INVESTMENT BY SECTOR

| | |
|------------------------------------|---------|
| ● PUBLIC HEALTH, NUTRITION & WATER | \$20.2M |
| ● SOCIAL PROTECTION | \$20.9M |
| ● AGRICULTURE | \$32.6M |
| ● ENERGY | \$4.0M |
| ● EDUCATION | \$13.1M |
| ● OTHER | \$20.8M |

OUR OFFICES



NUMBER OF INNOVATIONS BY SECTOR

| | |
|------------------------------------|----|
| ● PUBLIC HEALTH, NUTRITION & WATER | 19 |
| ● SOCIAL PROTECTION | 9 |
| ● AGRICULTURE | 7 |
| ● ENERGY | 4 |
| ● EDUCATION | 6 |
| ● OTHER | 15 |

* Other sectors include energy, financial services, government effectiveness and transport. East Asia and Pacific, and South Asia classified according to World Bank analytical grouping. East Africa and West Africa classified by the Africa Development Bank groupings. Other regions include Northern Africa, South Africa and Central America.

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Trustees, Officers and Advisers

Trustees

The directors who held office during the year were as follows:

- Darren Welch (resigned 29th August 2022)
- Jane Siebels (resigned 20th February 2023)
- Santhosh Mathew
- James Clark (appointed as Chair of the Board effective 31st January 2021)
- James Habyarimana
- Kathryn Kaufman
- Amanda Glassman
- Jeremy Weinstein (appointed 31st January 2022)
- Sarah Pearson (re-appointed 17th March 2022, resigned 24th January 2023)
- Caroline Read (appointed 29th August 2022)

Key management personnel

- | | |
|--|---|
| • Chief Executive Officer | Alix Peterson Zwane |
| • Chief of Staff | Gareth Spillane (resigned 31 st September 2022) |
| • Chief of Staff and Director of Policy | Zach Johnstone (appointed 1 st October 2022, resigned 5 th May 2023) |
| • General Counsel and Chief Risk Officer | Rumu Sarkar (appointed 31 st May 2022, left 15 th September 2022) |
| • Chief Finance Officer | Shane Leonard (resigned 31 st March 2023) |
| • Chief Investment Officer | Avinash Mishra (appointed 1 st April 2023) |
| • Senior Vice President, Impact | Joseph Ssentongo (appointed 1 st January 2022, left 31 st March 2023) |
| • Chief Operating Officer | Joseph Ssentongo (appointed 1 st April 2023) |
| • General Counsel | Cillian Moynihan (appointed 1 st April 2023) |
| • Senior Vice President, Impact | Rachna Nag Chowdhuri (appointed 1 st April 2023) |

Professional advisors

| | | |
|------------|-----------------------------|---|
| Auditors | Crowe U.K. LLP | 55 Ludgate Hill, London EC4M 7JW |
| Bankers | Barclays Bank Plc | 1 Churchill Place, London E14 5HP |
| Solicitors | Bates Wells Braithwaite LLP | 10 Queen Street Place, London, EC4R 1BE |

Address of principal office

Global Innovation Fund's principal and registered office has the same address;

8 Devonshire Square

London

EC2M 4PL

Trustees' Report

The Trustees present their report, the directors' report, and consolidated financial statements for the year ended 31st December 2022.

Under the Charities Act 2011 and the Companies Act 2006 the Directors' Report and Strategic Report are included within the Trustees Report.

Business review and future developments

This has been discussed in the Strategic Report section.

The Board has delegated responsibility for GIF's investment selection (i.e., the selection of innovative investments to further GIF's mission) to the CEO and staff team, as outlined in GIF's, Byelaws and scheme of delegated authorities.

Directors Report

Appointment of Trustees

GIF's Articles of Association and Byelaws set out guidance on the composition of the Board of Trustees who are the Directors as defined under the Companies Act. The Board is entirely non-executive and comprises a majority of Trustees that are independent of any GIF funder ("A" Trustees). "A" Trustees are recruited from the following fields: private sector, civil society, the public sector and academia. They are formally appointed by the Board following approval by the Members. "A" Trustees serve for three-year terms with possible reappointment.

The Board also includes seats for Trustees that are elected by GIF's funders ("B" Trustees). "B" Trustees are elected at the start of each three year funding cycle of the charity.

The Trustees meet formally each quarter.

The Trustees have delegated day-to-day management of GIF to its Chief Executive Officer and her senior management team. The Board has also delegated authority to the Audit & Finance Committee and the Human Resources Committee, and has constituted an advisory Development Committee. Each of these committees reports back to the Board quarterly and makes recommendations to the Board for approval as necessary.

The Trustees review and approve as applicable on an annual basis:

- the annual budget and operating plan for the charity;
- the charity's financial results and variances from budget;
- the charity's key performance indicators;
- the charity's investment and grant portfolio and any major risks associated with the projects.

The Trustees also regularly review the charity's risk register. The Audit & Finance Committee of the Board receives quarterly updates from senior management on risks and ensures that appropriate controls are in place to mitigate those risks.

Induction and training of new Trustees

Each new GIF Trustee is briefed on the role of a Trustee and a Director under Charities Law and the Companies Act. They are provided with copies of relevant Charity Commission guidance and the charity's organisational documents. The Trustees also receive training on Trustee and Director duties and responsibilities, anti-bribery and corruption and conflicts of interest.

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Pay and remuneration

The Human Resources Committee (appointed by the Board) is responsible for setting strategies relating to human resource needs for the charity and oversees the charity's compensation philosophy. The HRC makes a recommendation to the Board regarding the CEO's annual compensation. The CEO is responsible for setting the terms of remuneration for senior management.

Every year all staff go through an annual review looking at their performance against their objectives set at the start of the year. Pay increases are then dependant on the performance rating of each staff member.

Related Party

None of the Trustees receive remuneration or other benefit from their work with the charity, although expenses are paid. Any connection of a Trustee with a request for financial assistance under discussion will be disclosed at a Board of Trustees meeting in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Details of Trustee expenses are disclosed in Note 16 to the accounts.

Auditor

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Strategic Report

This strategic report for the GIF's sixth full financial year covers the full financial period from 1st January 2022 to 31st December 2022, and includes information in the 'year in review' and 'measuring impact' sections of these accounts.

GIF was incorporated on 17th September 2014 as a company limited by guarantee. GIF has a 100% owned subsidiary, also called the Global Innovation Fund, incorporated in the District of Columbia, United States of America, on 9th April 2015. This subsidiary began operations on 13th April 2015.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Statement of public benefit

GIF was granted charity status with the Charity Commission for England and Wales on 27th January 2017 with the charity number 1171353. The Articles of Association were adopted on 28th November 2016.

GIF is a non-profit organisation whose activities are intended to be for the public benefit. In both setting out the objectives and planning future activities, the Trustees have had due regard to the Charity Commission's guidance on public benefit.

Over this reporting period, and in line with the goals, GIF has approved investments in a broad range of innovations across the developing world, covering the three themes of making public services work for the poor, creating productive jobs and easing market frictions and enhancing agency for women and girls.

Aims and purpose of the Charity

GIF's mission is:

- To support innovations that could scale up to benefit millions of people now living on less than \$5/day; and
- To improve the overall impact of development expenditure - public and private, international and domestic - by demonstrating the effectiveness of outcome-oriented, evidence-based investment.

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GIF aims to support the global public good of generating innovations that will collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries. To accomplish this, GIF seeks to accelerate the development, rigorous testing and scaling of cost-effective innovations, in particular by:

- providing an open global innovation platform to support piloting and testing new innovations for the world's poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;
- providing grants and making risk capital investments to support the transition to scale of:
 - innovations designed to scale commercially that have passed a market test, and;
 - innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and
- generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

Investment Policy

GIF supports innovations that benefit people living on less than the equivalent of US\$5 per day in developing countries, and is especially interested in innovations that impact people living on less than US\$2 per day.

GIF defines “innovation” as any solution that has potential to improve the lives of the poor in developing countries more effectively than existing approaches. This includes new products or services, policy practices, business models, operational or production processes, behavioural insights, or ways of delivering products and services that benefit the poor, across all relevant sectors. These innovations could come from social enterprises, for-profit firms, non-profit organisations, researchers, academics, government agencies or any other relevant institution or individual.

GIF seeks to fill market gaps, and is especially interested in supporting promising innovations that may otherwise struggle to find appropriate forms of funding for objectives that align with those of GIF, e.g. piloting development innovations, gathering rigorous evidence of impact or achieving greater scale.

Grants

GIF works with a wide range of institutions to fund specific research projects. Payment of grants is conditional upon the performance of key tasks. Where such tasks remain incomplete, payment is withheld. GIF operates an annual review process whereby grants are reviewed to ensure progress is being made and the programme complies with expectations before continuing payment is confirmed. As a result, the first payment of each grant is made up front, with further payments contingent on the above policy.

Reserves Policy

The approved reserves policy intends to ensure GIF is in a position where it holds sufficient working capital to fulfil short-term contractual and constructive investment commitments, as well as sufficient funds to cover medium term operational expenditure. The Reserves Policy is approved by the board in line with the requirements of GIF's donor governments. The charity aims to have free reserves of \$5m to stay in line with the approved policy taking into account the variable investment commitments it makes in the year.

Investment Commitments

GIF intends to hold sufficient funds to fulfil any disbursements relating to contractual and constructive obligations falling due in the preceding twelve months. Current levels of investment commitments are shown in note 13 to the accounts.

Operational Expenses

Operational expenses are those incurred through the course of running GIF's offices, employing staff and making investments. The medium-term value of reserves will relate to twelve months' costs as per the most recent operational budget or forecast.

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Working Capital

GIF aims to hold a minimum level of working capital of \$5 million, in order to accommodate any investment activity beyond the time horizons indicated and any unforeseen costs.

| | |
|---------------------------------------|-----------|
| Total Funds at 31st December 2022: | \$28.6m |
| Less: | |
| Restricted Funds | (\$6.7m) |
| Investments (from unrestricted funds) | (\$13.4m) |
| Funding Commitments | (\$5.4m) |
| Free Reserves Balance | \$3.1m |

Free reserves are lower than that stipulated within the approved policy, though are expected to increase following a successful renegotiation of a new funding cycle with GIF's principle funders. These renegotiations are currently on-going.

Financial Review

GIF's income from its funders increased from \$8,063k in 2021 to \$9,545k in 2022. This consisted of receipts from two existing Government donors in addition to receipts from existing private donors. Investment income decreased from \$394k to \$258k.

During the year \$3.4m of new risk capital investments (Debt, Equity or Convertible Debt) were made. At the end of the year an in-depth review of our investments was undertaken. It was decided that writedowns, totalling \$6,036 (2021: \$7,696k) were necessary due to uncertainties around various aspects of the financial position and performance of investees including their ability to continue as a going concern. The impairment losses are included within Charitable activities in the Statement of Financial Activities.

Total funds as at the end of the year was \$28,570k (2021: \$40,613k) of which \$6,653k (2021: \$3,471k (*restated*)) was restricted.

Going Concern

GIF is currently in the process of agreeing a renewed funding cycle with its principle funders. This funding is contingent upon the satisfactory outcome of an independent evaluation which was underway as at the time of signing of these financial statements.

GIF currently has sufficient cash runway available to cover operational expenditure until Q2 2024. Beyond this, it is reliant on the costed extension funding to meet short term operational commitments.

The trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs (including the level of cash reserves that can be used for this purpose), grant commitments, and the expectations of funders for new investments. The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future. As the assessment period is at least twelve months from the date of approval of these financial statements, it is therefore appropriate to prepare these financial statements on the going concern basis.

However, there is a plausible but not remote scenario wherein the funding, as discussed above, does not materialise which would represent a material uncertainty that may cast doubt upon the company's ability to continue as a going concern.

The trustees continue to monitor this risk closely with a view to assess and mitigate the impact on the organisation and its social impact.

Review of the group's operations

Our goal at GIF is to find, fund, and scale-up cost-effective, evidence-based innovations that have the potential to measurably improve the lives of millions of people in the developing world.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere. Through our grants and risk capital, we help breakthrough solutions to global development challenges from social enterprises, for-profit firms, non-profit organisations, researchers, and government agencies to maximise their impact and affect meaningful change.

We support innovators at all stages of development, from start-up and pilot-testing through to larger scale implementation - the innovations we fund can be located in any developing country and can focus on any sector relevant to international development, provided they are committed to improving the lives of those living on less than \$5 a day.

When thinking about where to invest, we look for promising entrepreneurs and seek to become their early partners as they test, adapt and improve their business model, before they are big enough to work with development finance institutions. We can also support experimentation and evidence gathering in domestic resource mobilisation, such as in increasing tax compliance in developing countries or supporting remittance flows.

- During this period geopolitical and economic uncertainty continued to negatively impact the funding environment, slowing decision-making in donor agencies and reducing overall aid budgets. Nonetheless we have continued our engagement with both existing and potential new funders who align with GIF's impact first, evidence-based investment approach. These conversations will continue in 2023 as GIF seeks to mobilise additional capital in pursuit of social returns.

On this backdrop, over the past year we have achieved the following results:

- **We invested in evidence-based impact:** GIF closed four new transactions through GIF Core, addressing development challenges ranging from child marriage to building resilience in supply chains and improving girls' agency and wellbeing. GIF also made two new transactions with existing investments in Sparkmeter and Paga. GIF has recaptured \$6m in capital through exits (\$0.87m in 2022 alone).
- **We continued to demonstrate that investing in innovation pays:** The total net social benefits already achieved by just five mature and scaled up innovations over 7 years of GIF investing is \$1.68 billion. Out of this, \$582m net social benefits can be directly attributed to GIF. When this is compared to the \$98 million that GIF spent on all of its early portfolio (both operating and investments), it yields a benefit-cost ratio of at least 5, equivalent to generating a 200% social rate of return.¹ Furthermore, based on Practical Impact (our long-term forecasting methodology), GIF expects its portfolio of evidence-based grants and risk capital investments to benefit 143 million people annually by 2032.
- **We committed to improving its organisational transparency:** This included the publication of completion assessment reports covering the achievements of, and lessons learned from GIF Core's former portfolio innovations, and impact briefs analysing the impact that innovations currently funded by GIF have achieved to date. The organisation strives to be an exemplar in PublishWhatYouFund's DFI Transparency Initiative and 100% of innovations have data published on the International Aid Transparency Initiative (IATI).
- **We strengthened our position as a thought-leader on gender-inclusive investment:** GIF made two grants under the second phase of its Innovating for Gender Equality Fund (a sub-fund of GIF Core); one which aims to reduce early female marriage through a community-based youth leadership, legal training, and paralegal model; and one which aims to improve adolescent girls' life skills and increase their agency. In total, up to December 2022, GIF has invested in seven gender transformative grants through the Innovating for Gender Equality Fund. In 2021, GIF commissioned an independent evaluation of the gender fund, which strongly endorsed the progress

¹ <https://www.globalinnovation.fund/assets/uploads/PDF-Documents/GIF-Social-Rate-of-Return.pdf>

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GIF made during its first phase of partnership. This in-turn led to a financial recommitment from GAC of an additional CAD\$5 million for the second phase of the partnership for 2022-2023.

- **We developed our approach to climate adaptation and resilience:** GIF announced the first innovations to receive investment from our Innovating for Climate Resilience Fund: Agritask, a decision-support platform for agricultural operations; and PLACE, a non-profit hyperlocal mapping organisation. The Innovating for Climate Resilience Fund invests, through both grants and risk capital, in early-stage innovations that aim to support people living on less than \$5 per day to build resilience to the ongoing and unavoidable changes in climate. It was launched at COP26 with seed funding from FCDO, with SIDA committing additional funds in December 2022. As with its gender sub-fund, the Innovating for Climate Resilience Fund is an example of GIF's ability to apply its innovative model and commitment to pursuing social impact to specific development challenges.
- **Sharing of knowledge of what works in development:** In line with its commitment to influence the field of development impact, GIF saw the adoption of its Practical Impact methodology in 2022 by CGIAR, a global partnership of international organisations engaged in food security research. GIF's Practical Impact was also adopted by IDinsight for their internal organisational impact forecast and performance tracking that they released in 2022. GIF worked with academics and researchers within the international development community to help inform investment decisions: GIF has forged 36 partnerships, including six with universities; had 16 peer-reviewed journals published, influencing thinking; and has supported nine RCTs, driving future investment decisions.
- **We opened a new Singapore office:** We launched GIF's Singapore office to grow and service our investment portfolio in the Indo-Pacific region. We intend to play a bigger role in driving innovation at scale for underserved populations in the region, and to continue our strategic partnerships with local innovators, investors and governments.
- **We partnered with the Coalition for Global Prosperity (CGP) to introduce UK parliamentarians to its investments:** when a cross-party group travelled to the Za'atari refugee camp in Jordan in October, GIF and CGP organised a meeting with GIF grantee, Talent Beyond Boundaries (TBB), an organisation seeking to demonstrate that the hidden refugee talent pool offers a resource employers can use to fill global skill gaps. Similarly, CGP and GIF coordinated a meeting with GIF grantee, Lively Minds, when a further parliamentary delegation visited Ghana in December. These visits are a great opportunity to showcase to MPs how multilateral funding from the UK and other donors is supporting innovations to scale in developing countries. GIF received positive feedback from the MPs, and additional site visits with CGP are being planned for 2023.

Principal risks facing the group

The table below outlines key organisational risks faced by GIF in achieving its mission, and what we're doing to mitigate those risks.

| Risk | Explanation/example | Management and mitigation |
|--------------|---|--|
| Funding Risk | Economic and policy factors or internal delays in key funding countries, and difficulties attracting new donors, results in a negative financial impact on GIF. GIF is currently in the process of agreeing a renewed funding cycle with its principle funders (see | -Continuing to make the policy case for the GIF model including its gender and climate work; -Increase in fundraising activity with pursuit of new government and corporate partners leveraging existing donor support where possible |

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above and under going concern in the accounting policies).

-Diversifying sources of capital with GIF Growth.

| | | |
|-----------------------------|--|---|
| Impact risk | Investing in fragile markets increases the risk of backing innovations that fail or are not suited to the GIF portfolio, as well as expected early-stage failure risk. | Rigorous due diligence and investment process, active portfolio management, and understanding the market context in which portfolio organisations operate. |
| Valuation & Impairment risk | The nature of GIF's risk capital investments, means the risk of impairment of investments made is high | <p>Rigorous due diligence and monitoring of investments.</p> <p>Increased impairment is expected given the maturing portfolio and the current environment within private capital.</p> <p>Social impact remains the key metric against which investment success is measured.</p> |

These risks have, so far, proved manageable. A fully-encompassing corporate risk register is updated and reviewed by the Audit and Finance Committee and the wider Board of Trustees.

Goals & Key Objectives

- One Mission: Multiple Vehicles:** GIF "Core" and GIF Growth: We have recognised that GIF's unique model can support not only the deployment of Official Development Assistance, but can also create unique impact for pools of returnable capital that are being invested in more traditional impact investors.
- One Mission: One Deal Team:** The power of the GIF team is that we bring together rigorous economic analysis grounded in evidence, a deep understanding of the context in which our innovations can scale, financial acumen, a venture mind-set, and an ability to take smart risks. We have learned that the key to unlocking the power of this combination is to structure ourselves in a way that draws on the resources from across the GIF team and breaks down organisational silos.
- Enhancing the Agency of Women and Girls:** With its gender sub-fund, GIF will continue to apply, and improve on, the gender lens that it brings to all its investments, mainstreaming gender analytics into deal selection, diligence, and venture support. We will continue to partner with world-leading gender experts to grow our expertise and build a portfolio that prioritises gender equality outcomes.
- Investing in Innovation Focused on Climate Adaptation and Resilience:** Having launched the 'Innovating for Climate Resilience Fund' at COP26, with seed funding from the UK Foreign, Commonwealth and Development Office, we secured additional funding commitment from the Swedish International Development Cooperation Agency. GIF has made its first investments in its climate sub-fund, harnessing its innovative model to invest in scalable early stage solutions to help people adapt and build resilience to climate change..

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5. **GIF will invest where the world's poor live and in innovations that matter to them:** We will strategically complement our commitment to open innovation by deepening our expertise in markets where we have traction and where our capital can catalyse additional investment.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Global Innovation Fund for the purposes of Company Law) are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 the Charities 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 company will continue in business.

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

In so far as each of the Trustees are aware:

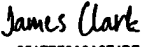
- there is no relevant audit information of which the charitable company's auditors are unaware;
- each trustee has taken all the steps that they should have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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.

This report has been prepared taking advantage of the provisions of the Companies Act 2006 available for small companies.

The Trustee's Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by;

8 Devonshire Square, London, EC2M 4PL

DocuSigned by:

951FB70A3A2F48E...

James Clark

Chair of the Board of Directors

Global Innovation Fund

*Global Innovation Fund
Report and audited financial statements
31st December 2022*

Date: 12 December 2023

Independent Auditor's Report to the Members of Global Innovation Fund

Opinion

We have audited the financial statements of Global Innovation Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise The Consolidated Statement of Financial Activities, The Consolidated and Charity Balance sheets, The Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2022 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to Note 1 to the financial statements under the heading 'Going concern' which indicates that the charitable company is currently in the process of agreeing a renewed funding cycle with its main funder. Note 1 'Going concern' states that there is a plausible but not remote scenario wherein the funding, as discussed above, does not materialise which represents a material uncertainty that may cast doubt upon the company's ability to continue as a going concern. Our opinion is not modified in this respect.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Global Innovation Fund
Report and audited financial statements
31st December 2022

- the strategic report and the directors' report included within the trustees' report have 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 group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper 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' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial

Global Innovation Fund
Report and audited financial statements
31st December 2022

statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), taxation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

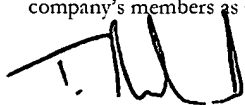
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income, grant expenditure, valuation of social investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

13 December 2023

Global Innovation Fund
Report and audited financial statements
31st December 2022

Consolidated Statement of Financial Activities

For the year ended 31 December 2022

| | | Unrestricted Funds | Restricted Funds | Total Funds | Total Funds |
|---|-------------|-----------------------|---------------------|-----------------|-----------------|
| | <i>note</i> | 2022 | 2022 | 2022 | 2021 |
| | | USD (\$000) | USD (\$000) | USD (\$000) | USD (\$000) |
| Income from: | | | | | |
| Charitable activities - Grants | 2 | 3,984 | 5,560 | 9,545 | 8,063 |
| Investment & Other Income | 2 | 168 | - | 168 | 394 |
| Other income - Foreign exchange gain | | 4 | - | 4 | 19 |
| Total income | | 4,156 | 5,560 | 9,717 | 8,476 |
| Expenditure on: | | | | | |
| Charitable activities | 3 | (19,381) | (2,379) | (21,759) | (24,506) |
| Total expenditure | | (19,381) | (2,379) | (21,759) | (24,506) |
| Net movement in funds | | (15,224) | 3,182 | (12,043) | (16,030) |
| Reconciliation of funds: | | | | | |
| <i>Total funds brought forward as at 1st January 2022</i> | | 37,142 | 3,471 | 40,613 | 56,643 |
| <i>Total Funds carried forward as at 31st December 2022</i> | | 21,918 | 6,653 | 28,570 | 40,613 |

Global Innovation Fund
Report and audited financial statements
31st December 2022

Consolidated and Charity Balance Sheets

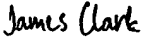
As at 31 December 2022

| | <i>note</i> | Group 2022 USD (\$000) | Charity 2022 USD (\$000) | Group 2021 USD (\$000) | Charity 2021 USD (\$000) |
|---|-------------|---|---|---|---|
| Fixed assets: | | | | | |
| Investments | 4 | 15,151 | 15,151 | 18,729 | 18,729 |
| Total fixed assets | | 15,151 | 15,151 | 18,729 | 18,729 |
| Current assets: | | | | | |
| Debtors | 5 | 683 | 736 | 242 | 452 |
| Cash at bank and in hand | 6 | 14,524 | 14,445 | 22,229 | 22,008 |
| Total current assets | | 15,208 | 15,180 | 22,471 | 22,460 |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 7 | (1,789) | (1,761) | (587) | (576) |
| Net current assets | | 13,419 | 13,419 | 21,884 | 21,884 |
| Total net assets | | 28,570 | 28,570 | 40,613 | 40,613 |
| The funds | | | | | |
| Restricted | 8 | 6,653 | 6,653 | 3,471 | 3,471 |
| Unrestricted | 8 | 21,917 | 21,918 | 37,142 | 37,142 |
| Total funds | | 28,570 | 28,570 | 40,613 | 40,613 |

The deficit for the financial year dealt within the financial statements of the parent charitable company was \$12,043k (2021 – deficit \$16,030k)

12 December 2023

These financial statements were approved and authorised by the board of directors on and were signed on its behalf by:

DocuSigned by:

 951FB70A3A2F4BE...

James Clark
Chair of the Board of Directors
Global Innovation Fund
Company Registration Number: 09223487 (England and Wales)

Global Innovation Fund
Report and audited financial statements
31st December 2022

Consolidated Cash Flow Statement

For the year ended 31 December 2022

| | <i>note</i> | Group 2022 USD (\$000) | Group 2021 USD (\$000) |
|---|-------------|---------------------------------------|---------------------------------------|
| Net cash inflow from operating activities | (a) | (5,388) | (8,508) |
| Cash flows from investing activities | (b) | 141 | 277 |
| Cash flows from financing activities | (c) | (2,458) | (1,345) |
| Change in cash and cash equivalents in the reporting period | | (7,704) | (9,576) |
| Cash and cash equivalents as at 1 Jan | | 22,229 | 31,805 |
| Cash and cash equivalents as at 31 Dec | | 14,524 | 22,229 |
| <u>Cashflow Statement notes:</u> | | | |
| (a) Reconciliation of changes in resources to net cash outflow from operating activities | | | |
| Net income for the reporting period | | (12,043) | (16,030) |
| Impairment of programme related investments | | 6,036 | 7,696 |
| Dividends and interest from investments | | (168) | (291) |
| Bank charges | | 26 | 14 |
| (Increase)/decrease in debtors | | (441) | 16 |
| Increase/ (decrease) in creditors | | 1,202 | 87 |
| Net Cash provided by operating activities | | (5,388) | (8,508) |
| (b) Cash flows from investing activities | | | |
| Portfolio Interest | | 157 | 288 |
| Bank and other interest | | 11 | 3 |
| Bank charges | | (26) | (14) |
| Net Cash provided by investing activities | | 141 | 277 |
| (c) Cash flow from financing activities | | | |
| Purchase of programme related investments | | (3,528) | (4,092) |
| Exits of programme related investments | | 1,070 | 2,747 |
| Net Cash provided by financing activities | | (2,458) | (1,345) |

The charity has taken advantage of the exemption available under FRS 102 from the requirement to present a charity-only cash flow statement within the consolidated financial statements.

Notes to the accounts

1. Accounting policies

Company Information:

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, its registered address is Wework, 8 Devonshire Square, London EC2M 4PL

Basis of preparation:

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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

GIF has a 100% owned subsidiary, also called Global Innovation Fund, incorporated in the District of Columbia, United States of America (EIN: 47-4045086). It is a not for profit organisation and therefore has equity of nil, its turnover of \$1,306k (2021: \$1,606k) was provided directly from GIF to cover its operating costs. Its address is 1701 Rhode Island Ave NW, 20036, Washington, United States.

GIF has a second 100% owned subsidiary, GIF Growth Limited (company number 12392232) that was incorporated on 8th January 2020. It has not commenced trading as of end of 2021 but has incurred costs of \$125k, resulting from recharges from the parent entity. These costs are reflected in the parent entity accounts as a receivable, but are consolidated out in the Group figures.

No separate SOFA has been prepared for the charity alone, as permitted by Section 408 of the Companies Act 2006. The charity has also taken advantage of the exemptions available under FRS 102 from the requirements to present a charity-only cash flow statement and to present certain disclosures about the charity's financial instruments.

Going concern

GIF is currently in the process of agreeing a renewed funding cycle with its principle funders. This funding is contingent upon the satisfactory outcome of an independent evaluation which was underway as at the time of signing of these financial statements.

GIF currently has sufficient cash runway available to cover operational expenditure until Q2 2024. Beyond this, it is reliant on the costed extension funding to meet short term operational commitments.

The trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs (including the level of cash reserves that can be used for this purpose), grant commitments, and the expectations of funders for new investments. The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future and as a result the financial statements have been prepared on the basis that the charity is a going concern.

However, there is a plausible but not remote scenario wherein the funding, as discussed above, does not materialise which represents a material uncertainty that may cast doubt upon the company's ability to continue as a going concern.

The trustees continue to monitor this risk closely with a view to assess and mitigate the impact on the organisation and its social impact.

Basis of consolidation

The consolidated financial statements include the financial statements of the company Global Innovation Fund and its subsidiary undertakings made up to 31st December 2022. The parent company Global Innovation Fund is based in London and has three subsidiaries - one also named Global Innovation Fund based in Washington D.C, GIF

Global Innovation Fund
Report and audited financial statements
31st December 2022

Growth Limited based in London and GIF (Kenya) Limited based in Nairobi. There is also a branch based in Singapore.

Accounting estimates and judgements

In preparing the financial statements, management have made judgements, estimates and assumptions that affect both the amounts recorded as revenues and expenses during the period, and amounts recorded for assets and liabilities as at the balance sheet date. However, the nature of estimation means these estimates could differ from actual outcomes. This is especially prevalent in determining the carrying value of GIF's social investments and any need for impairment. The determination of carrying values for early-stage companies is by nature a volatile and uncertain process. Despite the inherent volatility, the guidelines applied to determine whether an impairment is required are considered to result in the best estimate of whether and the amount of any impairment required.

In 2021 GIF adopted a new valuations and impairments policy with a multi stage flow chart and analysis. We start by looking at recent third-party valuations including recent priced investment rounds. Should the carrying value be equal or higher than our book value then no adjustment to book value is made. In the absence of a third-party valuation, we compare performance to budget. Where there is no material deviation, no adjustment to book value is made. Finally, where there has been a material underperformance on budget, we look at the latest business plan and forecasts in order to make an assessment of any long term value impairment. Where there is no material downside in the long term value, no adjustment to book value is made.

Measurement convention

The financial statements are prepared on the historical cost basis except for any social investments for which it is considered that a reliable estimate of market value exists. The related financial instruments are classified at fair value through income and expense. Where an accurate estimate of market value is unavailable the investments are stated at cost with an assessment for impairment taken at the year end.

Foreign currency

GIF operates in 7 Currencies: US Dollars, Pounds Sterling, Euros, Swedish Kroner, Australian Dollars, Indian Rupees and Canadian Dollars. Transactions in foreign currencies are recognised in the group's statement of income and expense in US Dollars (the functional currency), at the foreign exchange rate ruling at the date of the transaction.

Exchange rates within the accounting system are updated automatically on a daily basis. For the purpose of the first period end, monetary assets and liabilities denominated in foreign currencies at 31st December 2021 are translated to US Dollars at the closing foreign exchange rate ruling on 31st December 2021. Foreign exchange differences arising on translation are recognised in the statement of income and expense.

The functional currency of the subsidiary is US Dollars and therefore no currency difference occurs on consolidation with the group accounts.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise cash balances and notice deposits, less than three months. The accounting policy for social investments is set out separately below.

Income recognition

All income is accounted for when Global Innovation Fund has entitlement, there is probability of receipt and the amount is measurable. For grant income this is usually when the invoice for payment is raised.

Interest receivable on the notice deposits (less than three months) is recognised in the income and expenditure account as they accrue, using the effective interest method. Realised and unrealised foreign currency gains and losses are reported on a net basis.

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Expenses

Expenses are recognised on an accruals basis in the period to which they relate.

All costs are allocated to direct charitable activities or raising funds. Support costs are allocated either as direct costs associated with the investment or indirect costs.

Pension costs

GIF operates a defined contribution pension scheme for its employees and contributes 10% of gross salary where the employee contributes at least 1%. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

Fund Accounting

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes.

Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Statement of Financial Activities on a straight-line basis over the period of the lease.

Social Investments

Social Investments that are loans, equity or convertible loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Fund is able to obtain a reliable estimate of fair value.

An impairment of charge of \$6,036k (2021: \$7,696k) was recognised in the accounts in relation to the annual assessment of social investments.

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Notes (continued)**2. Income**

| | 2022 | 2021 |
|---|--------------|--------------|
| | USD | USD |
| | (\$000) | (\$000) |
| Income | | |
| Government Grants | 9,929 | 6,809 |
| Private Funding | (385) | 1,254 |
| | <u>9,545</u> | <u>8,063</u> |
| | | |
| | 2022 | 2021 |
| | USD | USD |
| | (\$000) | (\$000) |
| Government income by country | | |
| Australia | - | - |
| Canada | 3,889 | - |
| Sweden | 2,992 | 2,584 |
| United Kingdom | 3,048 | 4,225 |
| United States of America | - | - |
| | <u>9,929</u> | <u>6,809</u> |
| | | |
| | 2022 | 2021 |
| | USD | USD |
| | (\$000) | (\$000) |
| Investment Income and other Income | | |
| Income from investments | 157 | 288 |
| Bank interest on current accounts | 11 | 3 |
| Profit on disposal of investment | - | 103 |
| | <u>168</u> | <u>394</u> |

No government grants that have been recognised in the accounts have any unfulfilled conditions or other contingencies attached and there are no other forms of government assistance from which the charity has benefited. For 2021, grant income of \$1,254k was restricted and \$6,809k was unrestricted. All investment income was unrestricted.

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Notes *(continued)*

3. Charitable Activities

| | 2022 USD (\$000) | 2021 USD (\$000) |
|--|------------------------|------------------------|
| Grants Payable | | |
| DMI (Development Media International) | - | 21 |
| PATH | - | 414 |
| DGMT-SmartStart | 250 | 250 |
| Behavioural Insights Team | - | 135 |
| Lively Minds | 1,100 | 1,100 |
| Education Initiatives | - | 216 |
| Ideas42 | 1,208 | 400 |
| ICM | 500 | - |
| Labeled Remittances | 40 | - |
| IDInsight | 50 | 450 |
| No Means No Worldwide | 500 | 700 |
| Graduation | - | 1,500 |
| SwipeRx (formerly mClinica) | - | 60 |
| Balloon Ventures | 40 | - |
| Give Directly | 100 | - |
| Babban Gona | - | 18 |
| Crime Radar | 169 | - |
| Strong Minds | 358 | 400 |
| BRAC | 100 | 910 |
| Breakthrough | 420 | 253 |
| BuildHer | 40 | 150 |
| MTV Staying Alive | - | 175 |
| Stanford | - | 308 |
| WhereIsMy Transport | 50 | - |
| PayGo Energy | 8 | - |
| Place | 100 | - |
| IRD Global Ltd | 137 | - |
| Impact(ed) | 1,100 | - |
| | <u>6,270</u> | <u>7,460</u> |
| Impairment of programme related investments | <u>6,036</u> | <u>7,696</u> |
| Staff and other related staff costs | <u>4,856</u> | <u>5,229</u> |
| Consultancy & professional | 2,001 | 2,175 |
| Travel & events | 607 | 95 |
| IT costs | 118 | 192 |
| Other support costs | 474 | 906 |
| Total Support costs | <u>3,200</u> | <u>3,367</u> |
| Foreign Exchange losses | <u>1,398</u> | <u>754</u> |

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31st December 2022

| | | |
|---|---------------|---------------|
| Total costs directly associated to charitable activities | <u>21,760</u> | <u>24,506</u> |
|---|---------------|---------------|

All grants above were made to institutions. All grants were signed for and disbursed within the year. For 2021 S3,672k of total expenditure was restricted and S20,834k was unrestricted.

4. Programme-related investments

| | Group 2022 USD (\$000) | Charity 2022 USD (\$000) | Group 2021 USD (\$000) | Charity 2021 USD (\$000) |
|--|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Debt | | | | |
| B/F amount | 875 | 875 | 2,069 | 2,069 |
| Additions/Interest accrued | 77 | 77 | 774 | 774 |
| Investments paid back | (663) | (663) | (1,697) | (1,697) |
| Impairment charge | 18 | 18 | (271) | (271) |
| C/F amount | <u>308</u> | <u>308</u> | <u>875</u> | <u>875</u> |
| Convertible debt instruments | | | | |
| B/F amount | 1,975 | 1,975 | 3,369 | 3,369 |
| Additions/Interest accrued | 80 | 80 | 930 | 930 |
| Disposals | (407) | (407) | - | - |
| Debt converted to equity | (130) | (130) | (1,894) | (1,894) |
| Impairment charge | 7 | 7 | (430) | (430) |
| C/F amount | <u>1,525</u> | <u>1,525</u> | <u>1,975</u> | <u>1,975</u> |
| Equity | | | | |
| B/F amount | 15,879 | 15,879 | 19,642 | 19,642 |
| Additions | 3,371 | 3,371 | 2,388 | 2,388 |
| Disposals | - | - | (1,051) | (1,051) |
| Debt converted to equity | 130 | 130 | 1,894 | 1,894 |
| Impairment charge | (6,061) | (6,061) | (6,994) | (6,994) |
| C/F amount | <u>13,318</u> | <u>13,318</u> | <u>15,879</u> | <u>15,879</u> |
| Total programme-related investments | <u>15,151</u> | <u>15,151</u> | <u>18,729</u> | <u>18,729</u> |

Global Innovation Fund
Report and audited financial statements
31st December 2022

Notes *(continued)*

5. Debtors

| | Group 2022 | Charity 2022 | Group 2021 | Charity 2021 |
|--------------------------------|----------------|-----------------|----------------|-----------------|
| | USD (\$000) | USD (\$000) | USD (\$000) | USD (\$000) |
| Debtors | | | | |
| Trade receivables | | | - | - |
| Deposits | 53 | 53 | 103 | 63 |
| Prepayments and accrued income | 615 | 668 | 139 | 388 |
| Other debtors | 15 | 15 | - | 1 |
| | <u>683</u> | <u>736</u> | <u>242</u> | <u>452</u> |

6. Cash at bank and in hand

| | Group 2022 | Charity 2022 | Group 2021 | Charity 2021 |
|--------------------------------------|----------------|-----------------|----------------|-----------------|
| | USD (\$000) | USD (\$000) | USD (\$000) | USD (\$000) |
| Cash at bank and in hand | | | | |
| Cash in hand | 14,524 | 14,445 | 21,754 | 21,533 |
| Notice deposits (less than 3 months) | - | - | 475 | 475 |
| | <u>14,524</u> | <u>14,445</u> | <u>22,229</u> | <u>22,008</u> |

7. Creditors

| | Group 2022 | Charity 2022 | Group 2021 | Charity 2021 |
|---|----------------|-----------------|----------------|-----------------|
| | USD (\$000) | USD (\$000) | USD (\$000) | USD (\$000) |
| Creditors: amounts falling due within one year | | | | |
| Trade creditors & accruals | 1,789 | 1,761 | 580 | 569 |
| Other creditors | - | - | 7 | 7 |
| | <u>1,789</u> | <u>1,761</u> | <u>587</u> | <u>576</u> |

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Notes (continued)**8. Funds**

The restricted funds are received under an agreement with GAC (Canada), FCDO (Climate), SAS-P and Dioraphte. GAC have stipulated their funds are to be invested in initiatives that have a gender focus.

| | Group 2022 USD (\$000) | Charity 2022 USD (\$000) | Group 2021 USD (\$000) <i>(restated)</i> | Charity 2021 USD (\$000) <i>(restated)</i> |
|---------------------------------------|---------------------------------|-----------------------------------|--|--|
| Restricted funds | | | | |
| Balance brought forward | 3,471 | 3,471 | 5,889 | 5,889 |
| Grant & Other Income | 5,560 | 5,560 | 1,254 | 1,254 |
| Grants & Other Expenditure | (3,450) | (3,450) | (3,672) | (3,672) |
| Increase/(Decrease) in Investments | 1,071 | 1,071 | - | - |
| Balance carried forward | 6,653 | 6,653 | 3,471 | 3,471 |
| | | | | |
| | Group 2022 USD (\$000) | Charity 2022 USD (\$000) | Group 2021 USD (\$000) | Charity 2021 USD (\$000) |
| Unrestricted funds | | | | |
| Balance brought forward 1st January | 37,142 | 37,142 | 50,754 | 50,754 |
| Grant & Other Income | 4,156 | 4,156 | 7,222 | 7,222 |
| Grants & Other Expenditure | (13,345) | (13,345) | (13,138) | (13,138) |
| Increase/(Decrease) in Investments | (6,036) | (6,036) | (7,696) | (7,696) |
| Balance carried forward 31st December | 21,918 | 21,918 | 37,142 | 37,142 |
| Total Funds | 28,570 | 28,570 | 40,613 | 40,613 |

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Notes (continued)

| | Group 2022 USD (\$000) | Group 2022 USD (\$000) | Group 2021 USD (\$000) | Group 2021 USD (\$000) |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Fund Balances as at 31st December (Group) | Unrestricted | Restricted | Unrestricted | Restricted |
| Investments | 13,380 | 1,771 | 17,163 | 1,566 |
| Current Assets | 10,326 | 4,882 | 20,566 | 1,905 |
| Current Liabilities | (1,789) | - | (587) | - |
| Total Funds | 21,917 | 6,653 | 37,142 | 3,471 |
| | | 28,570 | | 40,613 |

The trustees have reviewed the opening restricted fund position and \$430k has been reclassified between restricted and unrestricted as at 1 January 2022.

9. Auditor's remuneration

| | Group 2022 USD (\$000) | Group 2021 USD (\$000) |
|---|------------------------------|------------------------------|
| Included in the statement of financial activities are; | | |
| Statutory audit fees | 60 | 50 |
| Tax advisory fees | 2 | 1 |
| | 62 | 51 |

10. Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

| | Group 2022 USD (\$000) | Group 2021 USD (\$000) |
|-----------------|------------------------------|------------------------------|
| Category | | |
| Investment | 11 | 12 |
| Analytics | 5 | 4 |
| Legal | 6 | 6 |
| Administration | 11 | 13 |
| | 33 | 35 |

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The aggregate payroll costs of these persons were as follows:

| | | |
|---|--------------|--------------|
| Wages and salaries | 3,693 | 3,847 |
| Social security costs | 385 | 359 |
| Contributions to defined contribution pension plans | 503 | 834 |
| Other employee benefits | 263 | 203 |
| Other Staff costs | 20 | 11 |
| | <u>4,864</u> | <u>5,254</u> |

Staff banding

The number of employees whose total compensation package (excluding pension) exceeded \$81k are as follows:

| | Group 2022 USD (\$000) | Group 2021 USD (\$000) |
|-------------------|---------------------------------------|---------------------------------------|
| USD | | |
| 81,000 - 93,999 | 4 | 3 |
| 94,000 - 107,999 | 6 | 6 |
| 108,000 - 120,999 | 4 | 1 |
| 121,000 - 134,999 | 2 | 3 |
| 135,000 - 148,999 | 3 | 4 |
| 149,000 - 161,999 | 1 | 3 |
| 162,000 - 174,999 | 1 | 1 |
| 175,000 - 188,999 | 2 | 1 |
| 189,000 - 202,999 | 0 | 1 |
| 203,000 - 215,999 | 0 | 0 |
| 216,000 - 228,999 | 0 | 0 |
| 229,000 - 241,999 | 0 | 1 |
| 242,000 - 254,999 | 1 | 0 |
| 255,000 - 267,999 | 0 | 0 |
| 268,000 - 280,999 | 0 | 1 |
| 294,000 - 306,999 | 0 | 0 |
| 316,000 - 328,999 | 0 | 0 |
| | <u>24</u> | <u>25</u> |

Remuneration of Key Management Personnel

The total compensation package for key management personnel totalled \$1,743k (2021: \$1,400k). The trustees received no remuneration for their services to the company.

The above bandings factor in termination payments made in year.

Termination payments

Termination payments made during the year were \$291,165 (2021: \$58,166) as part of an organisational restructure. These have been included within "Wages and salaries" within the aggregate payroll costs table in note 10.

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Notes *(continued)*

11. Financial Instruments

The carrying amounts of the financial assets and liabilities include

| | Group 2022 USD (\$000) | Group 2021 USD (\$000) |
|--|---------------------------------|---------------------------------|
| Financial Instruments | | |
| Financial Assets - amortised cost | 29,742 | 39,771 |
| Financial Assets - fair value | - | 1,187 |
| Financial Liabilities - amortised cost | 1,789 | 587 |
| Financial Assets | | |
| Cash | 14,524 | 22,229 |
| Debtors | 67 | - |
| Social investments | 15,151 | 18,729 |
| | <u>29,690</u> | <u>40,958</u> |
| Financial Liabilities | | |
| Trade creditors & accruals | 1,789 | 580 |
| Other creditors | - | 7 |
| | <u>1,789</u> | <u>587</u> |

As quoted prices are unavailable, investments are recognised at cost less impairment. An assessment of the investments was made at the year end by the senior management and an impairment charge of \$6,036k (2021: \$7,696k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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Notes *(continued)*

12. Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

| | Group 2022 USD (\$000) | Group 2021 USD (\$000) |
|---|------------------------------|---------------------------------|
| Operating Leases not later than one year | 77 | 257 |
| Total annual commitments | 76 | 257 |

Within the financial statements are lease payments totalling \$351k (2021: \$758k)

13. Funding Commitments

| | 2022 Grant Commitments | 2022 Risk Capital Commitments | 2022 Total |
|---------------------------------|------------------------------|-------------------------------------|------------------|
| 2023 | 3,727,161 | 158,905 | 3,886,066 |
| 2024 | 1,608,201 | - | 1,608,201 |
| 2025 | 125,000 | - | 125,000 |
| Total annual commitments | 5,460,362 | 158,905 | 5,619,267 |

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Notes (continued)

14. Trading activities of subsidiary

Global Innovation Fund, a non-profit subsidiary, is registered in the US (FEIN 47-4045086), located in Washington DC had the following results to 31/12/2021.

Global Innovation Fund is the sole member of the US entity and has certain governance rights under its articles and by laws, including, but not limited to, appointing board members.

The US entity carries out administrative activities such as employing US based staff and leasing premises to further the objectives of the parent entity.

| | 2022 | 2021 |
|----------------------------------|----------|----------|
| | USD | USD |
| | (\$000) | (\$000) |
| Income & Expenditure | | |
| Total support received & revenue | 1,376 | 1,671 |
| Total expenses | (1,376) | (1,671) |
| Balance Sheet | | |
| Assets | 80 | 260 |
| Liabilities | (80) | (260) |
| | <u>-</u> | <u>-</u> |

15. Defined contribution scheme

The group operates a defined contribution pension scheme. The total expense relating to this scheme amounted to \$503k (2021: \$834k) during the period which has been charged to the Statement of Financial Activities. The contributions were paid using unrestricted funds.

16. Related party disclosure

Trustees

None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

Trustees expenses

Four of the Trustees have claimed expenses or had their expenses met by the charity, these are related to flights, accommodation, and subsistence for board meetings. These costs total \$100,626k (2021: \$14,908). This increase was driven by the easing of covid restrictions relating to travel.

Subsidiary

GIF gave \$900k (2021: \$1,700k) to its subsidiary located in Washington DC to fund its administration expenses and \$318k (2021: \$201k) of expenses were paid by GIF on behalf of the US. At the year end, the subsidiary owed GIF \$nil (2021:nil).