

Registered No. 10505963

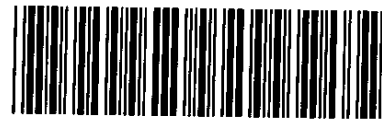
TONY BLAIR INSTITUTE

(A Company Limited by Guarantee)

Annual report and consolidated financial statements

Year ended 31 December 2019

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Tony Blair Institute
Registered No. 10505963

GROUP INFORMATION

DIRECTORS

ACL Blair
CJ Rimmer
DJ Collins
A Ablo

AUDITOR

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Chartered Accountants
15 Canada Square
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STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2019.

A PIVOTAL YEAR

2019 marked a pivotal year for the Tony Blair Institute for Global Change (TBI). Following a strategic review, the organisation's work synthesised into a single, overarching mission:

"To equip political leaders and governments with the tools they need to create open, inclusive and prosperous societies in a globalised world."

This focus draws on the strengths of the organisation and ensures that every piece of work we do is geared towards delivering change at scale. This commitment to creating impact saw a reorganisation of our existing work into two complementary areas: Government Advisory and Policy Futures.

Government Advisory is delivered throughout the world with a combination of in-country teams and frontline programmes. Our teams work directly with political leaders and governments to implement reforms and execute government plans that improve the lives of their citizens.

Policy Futures generates analysis, policy ideas and debate to help leaders develop future-facing, progressive agendas across three areas: UK domestic policy, technology and public policy and counter-extremism policy. Taken together, our work provides the tools and ideas needed to effect change. In 2019, we were proud to see significant progress made in each area, increasing the scope and scale of our work and achieving greater impact.

GOVERNMENT ADVISORY

We help governments and leaders to establish the skills, systems and structures they need to deliver their priorities: driving economic reform, strengthening the private sector and business environment, facilitating foreign investment, building key infrastructure and improving the delivery of public services.

Africa

We worked with 14 countries across Africa, helping build and strengthen their institutional capacity to improve living standards for their citizens. In 2019, we began a new project in Burkina Faso, and we partnered with a number of influential organisations. With the Africa Green Revolution Forum (AGRF), for instance, we hosted a series of events, including with Tony Blair, at its annual summit in Ghana to highlight our joint commitment to achieving agricultural transformation and food security in Africa. We also deepened our partnerships with the Bill & Melinda Gates Foundation, expanding our work in Nigeria and Burkina Faso, and with USAID's Power Africa as we wrapped up the first phase of partnership and laid the groundwork to extend into a second phase in 2020. Mr Blair engaged with and met African heads of government in their countries and elsewhere throughout the year – a key part of the 'leader to leader' relationship that a TBI project brings.

In **Guinea** we helped the government to secure a future-proofed energy mix and it signed a Concession Agreement for the first solar independent power producer (IPP) in the country. TBI directly supported the Minister of Energy and coordinated with international institutions to navigate the complex negotiations. This change is significant because it is one of the few IPP projects negotiated with advantageous conditions for the state and turns a 50-year-old dream into reality for Guinea. This will significantly scale up Guinea's efforts to ensure electricity access to its 12 million people.

The Institute directly supports **Kenya's** President Kenyatta to deliver on the 'big four' agenda: food security, affordable housing, manufacturing and affordable health care for all. The Ministry of Agriculture engaged TBI in its efforts to strengthen agricultural transformation and this led to a request from the Chief of Staff to establish TBI embedded support on food security initiatives. Complementing our on-the-ground work, Mr Blair met with President Kenyatta and other key officials to review and discuss progress on the government's delivery structure.

In **Liberia**, following a successful three-year pilot, the Ministry of Education expanded the Liberian Educational Advancement Programme (LEAP) by more than 125 schools. The Institute worked with the ministry, education providers and funding partners to transition the programme beyond the pilot. The programme has delivered

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scalable quality learning outcomes at a reduced cost per pupil. It also provides a blueprint to help other low-income countries to improve their learning outcomes.

In **Mozambique**, the public electricity utility, EDM, finalised the technical and regulatory specifications for the first of four projects under the country's first-ever competitive auction programme for the generation of 120 MW of solar and wind energy. TBI has supported this project since its inception, providing coordination and programme management support, as well as intra- and inter-sectoral linkages.

Our work in **Nigeria** received further funding from the Bill & Melinda Gates Foundation. This additional funding covers the implementation of three projects across agriculture, institutional capacity building and supporting the Federal Ministry of Health. This work will support economic transformation through agriculture and improve opportunities for the private sector to scale up investment. We are supporting the Ministry of Health to build its organisational capacity and define their priorities for the country's health sector.

In 2019, we commenced work in the **Sahel region**, primarily in Burkina Faso. The Sahel region is among the world's poorest and at great risk from climate change. Increasing extremist violence is creating instability in a number of countries of the Sahel (particularly Mali, Burkina Faso and Niger), with potential global fallout. The number of incidents targeting civilians increased by about 50 per cent compared with the previous year.

With the region's multiple challenges, strong government is needed and TBI has proved itself ready to help. Mr Blair met with the President of **Niger** in September 2019 to discuss the crisis in the Sahel and explore how TBI could support Niger. As a result of the meeting, it was formally agreed that TBI would open an in-country programme. This will expand TBI's footprint in the Sahel to two countries (Niger, alongside **Burkina Faso**). In addition, in November 2019 TBI was accepted as an Observer member of the Sahel Alliance – one of only three member organisations that isn't a country or a multilateral organisation. This position will enable TBI to support strategy work and engage with key stakeholders in the region.

TBI successfully established a project in **Senegal** starting in the summer of 2019. This involved the recruitment of a country head as well as embedding a Power Africa advisor at the Ministry of Energy and a ministerial advisor to the Minister of Economy. Significantly, TBI initiated a workstream in October supporting the economy minister to attract investment into the textile and garment sector and delivered a plan in December for a delivery unit for the Minister of Energy. The work of the Institute was supported by Mr Blair, who met with President Sall in April, June and September. These interactions led to a specific partnership in support of the president's flagship Plan Senegal Emergent and, as a result, discussions and investment promotion started in four different areas of work.

Our work in **Sierra Leone** continued to go from strength to strength. Mr Blair met with President Bio in March and discussed the importance of prioritisation within his flagship Human Capital Development Agenda. This led to greater focus on priority targets, including doubling the number of children achieving functional literacy and numeracy in primary schools, halving the maternal mortality rate, and increasing the country's food self-sufficiency in rice and fish. The resultant initiatives will accelerate delivery and ensure tangible improvements for citizens.

TBI supported Sierra Leone's Chief Innovation Officer and the Directorate of Science, Technology and Innovation (DSTI) leadership to develop the National Innovation and Digitalisation Strategy, which has a vision to turn Sierra Leone into an innovation and entrepreneurship nation between 2019 and 2029. The **Freetown** City Council completed its Revenue Mobilisation Strategy, with support from TBI in the form of stakeholder engagement and strategic advice, and directly supporting the drafting process. This will generate the resources to deliver vital sanitation services to the city to help keep citizens healthy and promote economic growth.

In **Rwanda**, the Minister of Agriculture submitted a bid to host the AGRF Secretariat from 2020–2025, with the aim of transforming Kigali into an agricultural hub for the continent. TBI helped develop the proposal for the bid and the concept of establishing a "Davos of agriculture" on the continent to facilitate investment. Rwanda was awarded the bid in September 2019, and as of September 2020 will officially host the AGRF 2020 and Secretariat over the next five years.

In partnership with the USAID-led **Power Africa** initiative, the Institute facilitated four international power trade arrangements to be concluded between **Guinea, Senegal, The Gambia and Guinea Bissau**. This will allow for

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greater regional trade of power in West Africa and ensure an integrated approach to achieve greater energy access in the region. The work was inspired by the Institute's "West Africa Power Trade Outlook" which estimates savings of \$32 billion (USD) over the next decade for 14 ECOWAS member states if they set up optimal power trade arrangements among them.

When the Covid-19 pandemic brought the world to a standstill earlier in 2020, it presented the biggest challenge leaders would face in a generation. Practically overnight we took the decision to dedicate our Government Advisory teams in Africa and elsewhere to help fight the pandemic. Our focus was to support leaders to help them make the right decisions and take the right actions in a challenging context. Public health data to track and manage the pandemic has been critical. So, when Oracle developed and decided to offer free to any country that wanted it, its Health Management System, TBI was delighted to partner with Oracle to help. We worked to support governments shape their own use cases and start to harness cloud technology to help track the COVID-19 virus and take steps to limit its spread. The Oracle Health Management System includes capabilities for physicians and citizens to monitor symptoms and treatments, and for health officials to administer tests and vaccination programs efficiently and at scale. The long-standing partnership that TBI has with the Larry Ellison Foundation (LEF) enabled us to move fast and we look forward to helping more countries that need such systems to deploy them to help save lives, and consider use cases beyond Covid.

The Middle East

Our work in the **Middle East**, where we continued to focus on fostering Arab-Israeli ties, has witnessed significant progress, culminating in the signing of the Abraham Accords between Israel and the UAE and Israel and Bahrain in September 2020. Mr Blair and our Tel Aviv team have continued to advise and mediate between leaders and officials in Israel, the Gulf and on the international stage regarding the political landscape in Israel, the Palestinian territories and the region. The work included exploring the untapped potential for Israeli-Arab trade, economic and cultural cooperation, identifying opportunities and providing practical steps and initiatives for promoting ties, as well as stabilising the situation in the West Bank and Gaza. Our Middle East work also seeks to leverage improved Israeli-Arab relations in order to promote negotiations between Israel and the Palestinians towards a two-state solution, and creating a regional framework for the negotiations with the active involvement of the Arab states, to ensure the viability of a future Palestinian state alongside a secure Israel.

Our team has also worked to forge improved ties between Israel and African states, by identifying and introducing Israeli technologies that can best support the critical needs of African states, in particular in the field of agriculture, in which Israel is a recognised world leader. Together with Volcani International Partnerships, the non-profit arm of Israel's foremost research and development institute, the team has worked on identifying key agricultural projects using Israeli technical expertise and technology.

With the onset of the Covid-19 pandemic, our team in the Middle East has also worked to support the work of the Institute in Africa and beyond, analysing Covid-19 trends, providing case studies on aspects of the pandemic including testing, tracing and economic exit strategies, as well as mapping Israeli technological capabilities to fight the virus.

POLICY FUTURES

The Institute's policy work focused on three key areas:

1. **Renewing the Centre:** developing a bold and innovative domestic policy programme to help renew the centre ground of British politics
2. **Technology and Public Policy:** exploring the policy challenges and opportunities presented by the technological revolution
3. **Extremism Policy Unit and Co-Existence Programmes:** creating solutions designed to tackle the threat of extremist ideologies in the UK and around the world

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Renewing the Centre

Our expert team of economists and policy specialists looks at radical but practical solutions to the underlying issues that are driving division in the UK. From rising inequality and falling living standards, to concerns about crime and integration, the promise that the next generation will do better than the last is at risk. And with politics being pulled between the hard-right and the hard-left, swathes of people in the centre ground are unrepresented. Our policy agenda seeks to fill that void and provide progressive leaders with the solutions they need.

In 2019, we pushed for the Home Office to get a better grip on crime policy. After publishing the paper *Restoring Order and Rebuilding Communities: The Need for a New National Crime Plan*, we engaged with the Home Secretary's policy unit. A key recommendation of our paper was the creation of a new, national board to coordinate and oversee policing strategy, and the idea recently became a reality when the UK prime minister set up the National Policing Board.

In our paper *The Glue That Binds: Integration in a Time of Populism*, we argued that integration is the best way to protect diverse multicultural communities from the division sown by populists. We set out domestic-policy reforms that could underpin a political strategy focused on six key areas to break down barriers to social solidarity.

We influenced the UK debate on housing, providing a new perspective beyond the 'build more houses' solution. We co-authored *Tackling the UK Housing Crisis: Is Supply the Answer?* with the UK Collaborative Centre for Housing Evidence. The paper has directly influenced Whitehall thinking. Following its release, the Bank of England highlighted its findings alongside near identical conclusions.

With our series of General Election 2019 Briefings taking apart the main parties' manifestos, we also showcased our political and technical analysis across a range of policy areas: crime, immigration, railways, responsible business, housing, public services and fiscal policy.

Technology and Public Policy

The chief characteristic of today's world is the scope, scale and speed of change. The technological revolution we're seeing is shaping up to be as transformative for the 21st century as the Industrial Revolution was for the last. It is changing everything – from the way we live to the way we work, and in our social and political interactions.

The politicians who master the implications of this revolution, understand its risks and opportunities, and crystallise such understanding into policy should own the foreseeable political future. Yet those changing the world through tech and those trying to construct policy in response to it, are often planets apart, with little structured dialogue and increasing levels of hostility. It is in everyone's interests to fix this. That's why the Institute established its Technology and Public Policy team in 2019, committed to setting out how policymakers and changemakers should work together to maximise the benefits and mitigate the risks of the tech revolution.

Consolidating its position within the tech policy community, the team played key roles at leading industry events in Europe, including the Web Summit and the GovTech Summit. Its flagship report on government transformation is now cited in the Harvard Kennedy School reading list. The team also identified other critical topics in the tech policy debate, conducting rigorous research and publishing policy work on topics as diverse as online harms regulation, 21st century infrastructure, digital government and the parallels between the tech and industrial revolutions. Building networks with policymakers and changemakers, the team has spent time in Silicon Valley and other parts of the US, with the UK and US Governments, and in Brussels.

Extremism Policy Unit and Co-Existence Programmes

In 2019, we continued to work to promote co-existence – countering extremism by tackling the ideology behind the violence, not just the violence itself. This involved significant policy output through our Extremism Policy Unit. This unit conducts research and policy analysis on extremist ideologies including Islamist extremists, the

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far right, the Boko Haram insurgency and Shia Islamism. Our work seeks to understand the role of ideology in developing and implementing successful counter-extremism and counter-terrorism policy, calling for stronger approaches to prevention policy, understanding the role of ideology in recruiting and mobilising support to carry out violent attacks, through to the disengagement, deradicalisation and reintegration of former fighters.

In 2019 we launched a new programme focusing on the rise of Shia militancy, “Shia Islamism in Focus”, marking 40 years since the establishment of the Islamic Republic of Iran. We published the first report of the programme in February 2019 based on an in-depth study of the official documents and public speeches by the Iranian establishment since 1979. Our work challenged the terminology of “reformist” when referring to the “hardliner-reformist” dichotomy in today’s Iranian politics, and the work has paved the way for our next phase in the programme that explores Iran’s extraterritorial interests, including its relationships with Shia militias across the Middle East, Asia and Africa. Throughout the development of the Shia Islamism in Focus programme, we have consulted external experts from within the region and beyond, and convened dialogues to determine the major policy and evidence gaps relating to the origins and rise of Shia militancy. The programme continues to engage the major policy issues of insecurity in the Middle East and the Iran nuclear agreement.

In 2019 we also continued to publish evidence and insight to support policymakers in the fields of counter-terrorism and extremism. We published two papers on the hateful and divisive narratives of Islamist and far-right actors in the UK and two essay collections – the first on challenges in counter-extremism and the second on the role of education to prevent extremism. Our team on the Global Extremism Monitor also continued to track violent Islamist insurgencies and efforts to counter them around the world, with a dataset focused on tracing the state-building ambitions and activities of groups and how they exploit political vacuums. Despite the eradication of ISIS’s caliphate, our dataset showed where and how the group remains active, and tracked 96 other violent Islamist groups operating around the world. It warned of seven escalating insurgencies to watch out for, including Kenya, Mozambique, the Philippines and Kashmir. Alongside this, the team has continued to produce rapid analysis and short-form commentary and insight for a range of broadcast media and press.

Our co-existence work involves hands-on programmes, working directly with leaders. This is exemplified by our Supporting Leaders programme in Africa, which has equipped, empowered and supported networks of religious actors to counter extremist narratives and build social cohesion in their communities. It contributes to an increasingly robust body of evidence to inform policy development and enable more effective programming. Muslim and Christian participants in Kenya, both male and female, demonstrated positive and significant changes in attitudes towards each other through TBI-delivered “training the trainer”. We worked with 12 trainers drawn from four in-country delivery organisations. The programme ran two one-week intra-faith modules and one interfaith module in each of Kwale and Garissa Counties for a total of 22 Christian and 20 Muslim leaders of whom 30 were women and 12 were men. These leaders shared their learnings with approximately 5,220 members of their local communities.

In partnership with the Alliance for Peacebuilding and the GHR Foundation, TBI convened an Insights Forum to bring together policymakers and practitioners to discuss how to leverage the influence of religious actors in tackling violent extremism across sub-Saharan Africa. The event convened 173 experts from over 100 national and international organisations from 31 countries, of which over 75 per cent were in the global south. Partners and participants from our Supporting Leaders programme in Kenya and Nigeria played an active role in the event, sharing their valuable insights from their work in delivering grassroots programming in preventing violent extremism in their local communities.

In 2019, our Compass project – which works in the UK to understand and address some of the systemic barriers to social integration faced by young ethnic minority women growing up in the UK – expanded its footprint, moving into the new location of Luton, in eight schools there. The project recruited and trained 226 female professional mentors from a range of sectors, ethnicities and religious backgrounds, and delivered 1,278 hours of mentoring. Students on the project have reported increased confidence to achieve, a sense of empowerment to explore their multiple identities and express who they are in front of others, and feeling more at ease with older generations and those outside their communities.

Compass established two new tertiary education partnerships in 2019 – the University of Surrey and the University of Bedfordshire. We continued to deepen our partnerships with the law firm Clifford Chance (which provides mentors and venue space) and Cineworld Cinemas, who were integral to the introduction of the

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programme to Luton. Cineworld provided over 20 per cent of our mentors in 2019, significantly supporting the project's growth.

Generation Global, the Institute's global education programme for students age 12 to 17 years old, entered its tenth year and has, to date, reached more than 530,000 young people in more than 30 countries. To mark the programme's ten-year anniversary, we convened a roundtable event to coincide with World Teachers Day on 4 October with education thought leaders, policymakers, grant-makers and practitioners to explore how best to support the delivery of quality global citizenship education for all. This year, we were awarded a two-year USAID grant to deliver "Wahda: Understanding Youth Dialogue in Lebanon". Together with our local partner, Naba'a, the programme seeks to evaluate the efficacy of youth dialogue in supporting identification of bias and increasing tolerance of difference and diversity as a result of the intervention. The programme was proud to partner with a number of organisations this year, including the Conference of Sacred Heart Education in the USA to deliver dialogue education training to schools, teachers and students within their network.

OUR PEOPLE

Our financial statements show an average total of 231 staff in 2019. Our staff are based in many locations throughout the world, including 14 African nations, the UK, the United States, Eastern Europe and countries in the Middle East. They bring a wide range of expertise and experience, and we collectively benefit from a diverse workforce that comprises over 35 different nationalities.

Gender balance is important to us and we are proud that our commitment to this shows in the make-up of our workforce. Fifty-five per cent of our employees are women, including our Chief Executive Officer and Chief Operations Officer, and our board is 50 per cent female. Gender equality is equally important. This is reflected in the fact that median salary for women across our executive committee is at least equal to that of the men.

We remain committed to investing in our people wherever in the world they work. They are our greatest asset and the key to turning our mission into a reality.

Tony Blair, Executive Chairman of the Institute, is the central source of leadership for TBI, particularly in setting *our overall vision and objectives*. He plays a hands-on role in the strategic development of the organisation and contributes to our impact through intensive engagement with the work detailed above. His political insight and experience help facilitate the work of TBI, and he continues to engage actively with individuals, organisations and debates that he believes are critical in bringing about positive global change for the many. Mr Blair receives no remuneration for his work at TBI, to which he devotes the majority of his time.

FINANCIAL REVIEW

The financial year to 31 December 2019 saw a further expansion of TBI's activities, both in scale and in scope. Having recorded a surplus of income over expenditure in 2018, TBI was able to reinvest this surplus in an ambitious programme of policy and advisory work in 2019. Increased expenditure in 2019 was partially offset by a more modest rise in turnover, with the Group reporting a deficit for the year of \$0.5 million.

Following a significant increase from 2017 to 2018, turnover remained at a similar level in 2019, with TBI reporting revenues of \$46.3 million in the year. Many projects were continued from previous years, and contracts renewed, while several new projects and partnerships were also initiated.

TBI's ability to commit to new projects and programmes of work relies on having the right people in place to deliver them, and staff costs were the biggest single factor in the overall increase in expenditure from 2018 to 2019. Staff salaries and associated costs account for approximately half of TBI's total expenditure and increased in line with staff numbers. TBI was able to expand its programme delivery – with additional roles in Government Advisory and Policy Futures, and a new Technology and Public Policy team set up – while maintaining the same number of administrative staff as in 2018. Other programme delivery costs, including staff travel and consultancy fees, and the development of TBI's website also contributed to the overall increase in expenditure.

In 2020, TBI has been affected, inevitably, by the coronavirus pandemic and the restrictions on travel and movement that have been imposed by national governments. TBI has had to adapt both its working practices and

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work programmes but has largely been able to continue working and meeting its objectives. In forming their assessment of the Group's ability to continue its operations into the foreseeable future, the directors have taken into consideration a range of modelled scenarios and outcomes and concluded that TBI remains a going concern. At 31 December 2019, the Group's reserves stood at \$8.8 million, and the Group is fortunate to report healthy cash balances at the same date of \$24.7 million. TBI is confident in its ability to deliver on the commitments into which it has entered, and to secure sufficient funding in the future to take on new commitments as its programme evolves to meet the ever-changing needs of global leaders.

RISK MANAGEMENT

The Board is ultimately responsible for identifying risks and ensuring that they are managed effectively. TBI maintains a risk register to define and assess the principal risks facing the organisation. Those risks include the following:

Financial risk

Liquidity risk

TBI aims to maintain a minimum level of cash balances in order to ensure that obligations to employees and suppliers can always be met. Financial forecasts are reported to the Board on a regular basis and the Board regularly reviews work plans and budgets in order to ensure that they are realistic and commensurate with funding. Cash is placed on short-term deposit so that it remains accessible. TBI has few fixed assets and asset liquidity is therefore not a significant risk.

Foreign exchange risk

TBI is exposed to foreign exchange risk due to conducting transactions across multiple currencies, a necessary part of operating in a wide range of countries and currency zones. Foreign exchange risk is reduced to some degree by holding cash balances in various currencies, which also helps to keep transaction costs to a minimum. TBI's functional currency is the US dollar, which is generally stable and remains the principal global reserve currency. The majority of TBI's income is denominated in US dollars, limiting exposure to more volatile currencies. TBI does not enter into currency hedging transactions.

Credit risk

TBI faces the risk that clients and counterparties fail to meet their contractual obligations. Credit risk is generally considered to be low, due to the nature of our contracts and the profile of our funding partners. Credit risk is mitigated further by ongoing monitoring of debtor balances (credit control) and by the performance of due diligence prior to entering into new contracts. TBI has a policy of providing for aged debts based on the number of days outstanding of individual debts and any other relevant information.

Operational risk

Information security and data protection

Cyber-security is an increasingly important consideration for TBI's Board and management. While the risk of data loss or misappropriation can never be eliminated entirely, the Board considers that adequate systems and processes are in place to reduce the risk of data loss or misappropriation to an acceptable level.

TBI has policies in place in respect of data protection, in accordance with the UK Data Protection Act and the EU's General Data Protection Regulation (GDPR), and regarding the organisation's storage and use of personal data in connection with employees. These policies set out the organisation's responsibilities and approach to ensuring compliance with relevant legislation and protecting the rights and security of employees and other stakeholders, as well as providing practical guidance to employees with regard to individual responsibilities and best practices.

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People

TBI is a global organisation, and each region and country in which we operate presents its own unique challenges. TBI takes its duty of care to its employees extremely seriously, as well as its responsibilities to the communities and environments in which we operate.

TBI has developed extensive policies and protocols regarding security, ensuring that all employees are safe, educated in how to respond to threatening situations, and aware of the resources available both in emergencies and throughout the course of their employment. TBI continues to promote wellbeing initiatives for employees in the UK as well as overseas, which has proved particularly valuable in the months since the Covid-19 pandemic took hold.

With regards to external stakeholders, TBI has policies regarding the environment and the safeguarding of young and vulnerable people and anti-human trafficking and anti-slavery policies. Policies are also in place concerning supplier management and procurement, conflicts of interest and whistleblowing, as well as anti-money laundering and anti-corruption measures.

Legal

Compliance with local laws and regulations is of paramount importance. TBI actively monitors the legal and regulatory environments in which it operates and obtains specialist professional advice where necessary. Significant emphasis is also placed on compliance with the requirements stemming from donor and funding agreements.

COVID-19

Since the end of the financial year, the dominant event affecting the operations and strategy of TBI has been the global spread of the Covid-19 virus. Although the pandemic has affected the lives of all TBI's employees and, doubtless, stakeholders, TBI has been able to continue its core work successfully, while ramping up activities to respond directly and immediately to the Covid-19 crisis. The adaptation to these new and unexpected circumstances necessitated the adoption of a temporary remote working model and a shift in our patterns of communication and organisation.

The success with which we have been able to face and adjust to the new world in which we find ourselves is a credit to the flexibility, focus and professionalism demonstrated by our staff, as well as to the risk management processes and IT infrastructure that have been developed over the preceding years.

PARTNERS AND DONORS

In 2019, we partnered with a record number of organisations to further scale the breadth and impact of our work. As we continue to grow and deliver on our mission, we are reminded of the generous intellectual and financial support from all our donors and funding partners.

Our partners

We have developed partnerships with aligned organisations. We would like to thank the staff and leadership of every partner organisation for their thoughtful and collaborative work and support. Across all the areas of our work, TBI partnered formally and informally often through joint convening, research or reports, with a variety of external stakeholders. In 2019 we worked with:

- African Center for Economic Transformation (ACET)
- African Green Revolution Forum (AGRF)
- Alliance for a Green Revolution in Africa (AGRA)
- The Anti-Defamation League (ADL)

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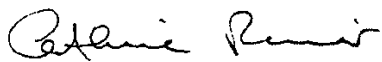
- Center for Strategic and International Studies (CSIS)
- CrossBoundary Advisory
- The Global Community Engagement and Resilience Fund (GCERF)
- Howard G Buffett Foundation
- Microsoft Philanthropies APAC (Asia-Pacific Countries)
- Microsoft Philanthropies MEA (Middle East & Africa)
- Overseas Development Institute (ODI)
- The Rockefeller Foundation
- Society for International Development (SID) – Washington Chapter

Our donors and funding partners

They include philanthropists, foundations, governmental donors, corporates and clients. Many have been supporting us since inception, while others came onboard this year. We thank them all. Examples of our donors and funding partners include:

- *African government partners who contract directly with TBI*
- Anne Wojcicki Foundation
- Bill & Melinda Gates Foundation
- *Blavatnik School of Government, University of Oxford*
- Blavatnik Family Foundation
- Cardinal Onaiyekan Foundation for Peace
- *European Council on Tolerance and Reconciliation*
- GHR Foundation
- The Kirsh Foundation
- The Larry Ellison Foundation
- Nathan Associates London Ltd
- Social Finance UK
- *United States Agency for International Development*
- United States Embassy Amman, Jordan
- Victor Pinchuk Foundation

By order of the board,



CJ Rimmer
Director
16 December 2020

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2019.

REVIEW OF THE BUSINESS

A review of the business has been provided in the Strategic Report on pages 2 to 10.

DIRECTORS

The directors who held office during the year were:

A Ablo (*appointed 1 August 2019*)
ACL Blair
FGL Bouvard (*resigned 21 May 2019*)
DJ Collins
DN Lyon (*resigned 31 July 2019*)
CJ Rimmer

POLITICAL CONTRIBUTIONS

The Group and Company made no political contributions during the year.

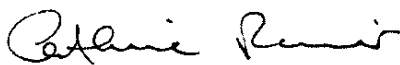
DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group and Parent Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group and Parent Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



C J Rimmer
Director
16 December 2020

One Bartholomew Close
London
EC1A 7BL

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors 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 directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group's financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Company law the directors 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 Group and of its surplus or deficit for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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;
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or Parent Company or to cease operations or have no realistic alternative but to do so.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TONY BLAIR INSTITUTE

Opinion

We have audited the financial statements of Tony Blair Institute ("the company") for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and accordingly, we do not express an audit opinion any form of assurance conclusion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TONY BLAIR INSTITUTE

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 12, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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



Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

17 December 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	<i>Note</i>	2019 \$000	2018 \$000
Turnover	2	46,320	45,245
Administrative expenses		(46,930)	(41,595)
Operating surplus/(deficit)	3	(610)	3,650
Interest receivable and similar income		145	344
Surplus/(deficit) before taxation		(465)	3,994
Tax charge on surplus/(deficit)	6	(383)	(447)
Surplus/(deficit) for the financial year		(848)	3,547
Currency translation differences		379	-
Total comprehensive surplus/(deficit)		(469)	3,547

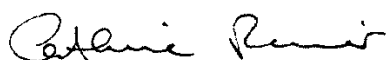
The notes on pages 21 to 32 form an integral part of these consolidated financial statements. All activities relate to continuing operations.

Tony Blair Institute
Registered No. 10505963

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	<i>Note</i>	2019 \$000	2018 \$000
Fixed assets			
Tangible assets	7	1,479	1,547
Current assets			
Debtors	9	11,423	9,499
Cash at bank and in hand		<u>24,697</u>	<u>31,192</u>
		36,120	40,691
Creditors: Amounts falling due within one year	10	(28,146)	(32,351)
Net current assets		<u>7,974</u>	<u>8,340</u>
Total assets less current liabilities		9,453	9,887
Provisions for liabilities	11	(611)	(576)
Net assets		<u>8,842</u>	<u>9,311</u>
Reserves			
Merger reserve		8,798	8,798
Profit and loss account		<u>44</u>	<u>513</u>
		<u>8,842</u>	<u>9,311</u>

The notes on pages 21 to 32 form an integral part of these consolidated financial statements. These financial statements were approved by the Board of Directors on 16 December 2020 and were signed on its behalf by:



C J Rimmer
Director

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	<i>Note</i>	2019 \$000	2018 \$000
Fixed assets			
Tangible assets	7	1,479	1,547
Current assets			
Debtors	9	11,791	9,499
Cash at bank and in hand		<u>24,241</u>	<u>31,037</u>
		36,032	40,536
Creditors: Amounts falling due within one year	10	(28,037)	(32,259)
Net current assets		<u>7,995</u>	<u>8,277</u>
Total assets less current liabilities		9,474	9,824
Provisions for liabilities	11	(611)	(576)
Net assets		<u>8,863</u>	<u>9,248</u>
Reserves			
Profit and loss account		<u>8,863</u>	<u>9,248</u>
		<u>8,863</u>	<u>9,248</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The deficit for the company for the year was \$384,000 (2018: surplus of \$3,374,000).

The notes on pages 21 to 32 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 16 December 2020 and were signed on its behalf by:



C J Rimmer
Director

Tony Blair Institute
Registered No. 10505963

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	<i>Merger reserve</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Balance at 1 January 2018	8,798	(3,034)	5,764
Surplus for the year	-	3,547	3,547
Balance at 31 December 2018	8,798	513	9,311
Deficit for the year	-	(848)	(848)
Currency translation differences	-	379	379
Balance at 31 December 2019	8,798	44	8,842

Merger reserve

The balance of \$8,798,000 represents the value of the net assets of Windrush Ventures Limited on 1 December 2016, the date at which it became a wholly owned subsidiary of Tony Blair Institute. Windrush Ventures Limited itself entered liquidation in December 2017.

The notes on pages 21 to 32 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	<i>Profit and loss account</i>	<i>Total equity</i>
	<i>\$000</i>	<i>\$000</i>
Balance at 1 January 2018	5,874	5,874
Surplus for the year	3,374	3,374
Balance at 31 December 2018	9,248	9,248
Deficit for the year	(763)	(763)
Currency translation differences	378	378
Balance at 31 December 2019	8,863	8,863

The notes on pages 21 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 31 December 2019

	<i>Note</i>	2019 \$000	2018 \$000
Cash flows from operating activities			
Operating surplus/(deficit) for the year		(610)	3,650
<i>Adjustments for</i>			
Depreciation	7	130	427
Impairment	7	-	545
Fixed asset currency revaluation	7	(53)	(32)
Interest receivable		145	344
Taxation	6	(383)	(447)
Decrease/(increase) in debtors	9	(1,924)	(888)
Increase/(decrease) in creditors	10	(4,205)	11,042
Increase/(decrease) in provisions	11	35	(503)
Net cash generated from operating activities		(6,865)	14,138
Cash flows from investing activities			
Payments to acquire fixed assets	7	(9)	(118)
Proceeds from disposal of fixed assets		-	26
Net cash from investing activities		(9)	(92)
Cash flows from financing activities		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(6,874)	14,046
Currency translation adjustment		379	-
Cash and cash equivalents at 1 January		31,192	17,146
Cash and cash equivalents at 31 December		24,697	31,192

The notes on pages 21 to 32 form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and Company are set out below.

Statement of compliance

Tony Blair Institute, trading as Tony Blair Institute for Global Change, is a Company limited by guarantee registered in England and Wales (*registered Company number: 10505963*) whose registered office is One Bartholomew Close, London EC1A 7BL. Tony Blair Institute is considered to be a Public Benefit Entity.

The Group and Parent Company's financial statements have been prepared in compliance with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as it applies to the financial statements of the Group for the period ended 31 December 2019.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are presented in US Dollars, which has been determined as the functional currency of the Group, rounded to the nearest \$000.

The Parent Company is included in the consolidated financial statements and is a qualifying entity under FRS 102 Section 1.8 to 1.12.

The Parent Company has taken advantage of the following reduced disclosure exemption available under FRS 102:

- *The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)*

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

TBIGC Limited, being a subsidiary company included in these consolidated financial statements, has taken advantage of the exemption from audit of its individual accounts under section 479A of the Companies Act 2006. The Parent Company guarantees all outstanding liabilities of TBIGC Limited at the end of its financial year (31 December 2019).

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2019. A subsidiary is an entity that is controlled by the parent. In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

The results of the subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity to obtain benefit from its activities.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own Statement of Comprehensive Income.

Going concern

The financial statements have been prepared on a going concern basis, based upon the directors' assessment of the financial position of the business and expectations of the future. During the early months of 2020, the Covid-19 pandemic took hold around the world. Many national governments, including that of the United Kingdom, where the Group and Company are headquartered, responded by ordering lockdowns to restrict people's movement and thus reduce transmission of the virus. The disruption caused by these measures, and the resulting economic effects, have

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES (CONTINUED)

been disastrous for many sectors of the global economy, businesses large and small, and the lives and livelihoods of millions of people.

Due to the nature of the Institute's work, and thanks to the IT infrastructure and systems in place, the Group has largely been able to continue its operations successfully. Adaptations to working practices have been necessary, with home working mandatory in the UK and several other countries, and practically expedient elsewhere. Adjustments have also been made to the Institute's programme of work, in response to the changing needs and priorities of governments and societies. However, there has been minimal interruption to the Institute's output and no diminution of its ambition.

While much of the Institute's cost base has remained consistent in the period since the impact of Coronavirus became apparent, certain areas of expenditure have seen significant reductions, notably international travel. Moreover, the directors have overseen a review of expenditure across the Institute and a plan to make further savings has been implemented. In terms of revenue, the Institute's clients and partners have honoured their commitments and obligations and demonstrated their enthusiasm for continued collaboration. The Institute continues to monitor the impact of the pandemic on the fundraising environment and has stepped up efforts to secure funding for the medium- and long-term future.

In forming their assessment of the Group's status as a going concern, the directors have taken into account the Group's financial position and its cash position, as well as forecasts of revenue and expenditure. As at the reporting date, the Group had net current assets of \$8.0m and cash balances amounting to \$24.7m. Cashflow forecasts, though affected by the pandemic, continue to point to a positive cash position up to and beyond December 2021. Cashflow forecasting has included the modelling of various scenarios, allowing the directors to see projected results under different assumptions affecting expenditure and income.

The Group's latest forecasts for the 12-month period to 31 December 2021 (the "going concern period") include plausible downside scenarios with reduced grants throughout that period. Appropriate measures have been put in place to limit the possible impact of Covid-19 on the Group, including reductions in variable costs within the control of the Group. The directors consider that the Group maintains sufficient cash reserves to meet its liabilities as they fall due for the duration of this period. Based on these considerations, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the statement of financial position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following estimates and judgements are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the statement of financial position date:

Impairment

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset.

The Group monitors trade and other debtor balances closely and performs an annual impairment review, based on the ageing of individual balances outstanding and taking into account the likelihood of non-payment. The Group has a policy of providing for debts in accordance with their age profile, in order to mitigate credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of each part of an item of tangible fixed assets.

The estimated useful lives for different categories of tangible fixed asset are as follows:

- | | |
|--------------------------|-------------|
| • Leaschold improvements | 10 years |
| • Furniture and fittings | 5 years |
| • Plant and equipment | 3 - 5 years |

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

Website development costs

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites, and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used solely for advertising and promotional purposes are written off as they are incurred.

Foreign currencies

The financial statements are presented in US Dollars which has been determined as the functional currency of the Group.

Transactions denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss. Foreign exchange gains and losses that relate to the translation at year-end exchange rates of non-monetary items are recognised in other comprehensive income.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs

Pension costs for the defined contribution scheme are charged to the income statement as they become payable in accordance with the rules of the scheme.

The Group provides no other post-retirement benefits to its employees.

Turnover

Turnover is recognised to the extent that the Group obtains the right to consideration in exchange for its performance excluding VAT and other sales taxes or duties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 ACCOUNTING POLICIES (CONTINUED)

Income is recognised in the financial period in which Tony Blair Institute is legally entitled to the income, receipt of funds is probable and the amount can be measured with sufficient reliability. Grant income is recognised when the Group can demonstrate entitlement to the income.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

The charge for taxation is based on the surplus for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the statement of financial position date, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Provisions

A provision is recognised in the statement of financial position when the entity has a present legal or constructive obligation, resulting from a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost less impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (less transaction costs) and subsequently held at amortised cost.

Offsetting

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

2 TURNOVER

Turnover for the year was derived from the principal activities of the Group as explained in the Strategic Report and is analysed by business area as follows:

	2019	2018
	\$000	\$000
Government Advisory	39,706	39,898
Policy Futures	5,780	4,639
Other	834	708
	46,320	45,245

3 OPERATING SURPLUS/DEFICIT BEFORE TAXATION

The surplus/deficit on ordinary activities before taxation is stated after:

	2019	2018
	\$000	\$000
Auditor's remuneration		
Audit of these financial statements	79	87
Fees for other, non-audit services	113	247
Operating lease rentals		
Land and buildings	3,077	2,652
Other equipment	651	981
Depreciation of tangible fixed assets	130	427
Impairment of fixed assets	-	545
Foreign exchange differences	639	(384)
	4,689	4,555

4 DIRECTORS' REMUNERATION

During the year, the Group had six directors (2018: five) including ACL Blair, who does not receive any remuneration from the Group for his services. The remaining five directors of the Parent Company received a total remuneration for the period of \$487,000 (2018: \$612,000). The total remuneration was paid by the Parent Company as all related to services provided to the Parent Company.

	2019	2018
	\$000	\$000
Aggregate remuneration	468	554
Defined contribution pension contributions	19	14
Sums paid to third parties for directors' services	-	44
	487	612

The remuneration for the highest paid director was \$383,000 (2018: \$401,000). Defined contribution pension contributions of \$15,000 (2018: \$12,000) were also made in respect of the highest paid director.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

5 STAFF COSTS

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

	Number of employees	
	2019	2018
Government Advisory	111	103
Initiative for the Middle East	6	6
Co-existence	37	32
Renewing the Centre	9	8
Technology and Public Policy	5	-
Administrative support	8	10
Communications	3	4
Financial management & reporting	10	11
Fundraising	6	6
Legal, risk & compliance	6	4
People, development & training	9	9
Stakeholder relations & engagement	15	12
Technology & infrastructure	6	8
Total	231	213

Employment costs of all employees of the Group, including both permanent and locally-contracted staff, comprised:

	2019	2018
	\$000	\$000
Wages and salaries	22,147	19,717
Social security costs	1,193	1,196
Contributions to defined contribution plans	427	398
	23,767	21,311

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

6 TAX ON SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the period

	2019 \$000	2018 \$000
UK Taxation		
UK Corporation tax	4	-
Double taxation relief	(4)	-
	-	-
Foreign Taxation		
Foreign taxation	377	410
Adjustment in respect of prior period	6	37
	383	447
Total tax charge on surplus/(deficit) on ordinary activities	383	447

A deferred tax asset has not been recognised in respect of tax losses carried forward and other timing differences, as in the opinion of the directors, it is not possible to conclude that it is more likely than not that any deferred tax asset would be recovered in the foreseeable future.

(b) Factors affecting total tax charge

The total tax assessed on the surplus on ordinary activities for the period may vary from the standard rate of corporation tax in the UK. The differences are reconciled below.

	2019 \$000	2018 \$000
Surplus/(deficit) before taxation	(465)	3,994
Total tax charge on surplus/(deficit) on ordinary activities	383	447
Surplus/(deficit) before taxation multiplied by the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	(88)	759
<i>Effect of:</i>		
Fixed asset differences	19	54
Non-deductible expenses	70	69
Other permanent differences	(64)	(12)
Company foreign tax	377	366
Deferred tax asset not recognised	61	(742)
Adjustment in respect of prior periods	6	37
Effect of tax rate differences	2	(84)
Total tax charge on surplus/(deficit) on ordinary activities	383	447

(c) Factors that may affect future tax charges

A reduction in the rate of UK corporation tax from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2019. The March 2020 Budget announced that the rate of 19% would continue to apply with effect from 1 April 2020, this being substantively enacted on 17 March 2020.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

7 TANGIBLE FIXED ASSETS

Group and Company	<i>Leasehold improvements \$000</i>	<i>Plant and Equipment \$000</i>	<i>Fixtures & fittings \$000</i>	<i>Total \$000</i>
Cost				
Balance at 1 January 2019	2,026	560	352	2,938
Additions	-	9	-	9
Disposals	-	(284)	(14)	(298)
Effect of movements in foreign exchange	75	11	12	98
Balance at 31 December 2019	2,101	296	350	2,747
Depreciation and impairment				
Balance at 1 January 2019	(837)	(429)	(125)	(1,391)
Depreciation charge for the year	(69)	(42)	(19)	(130)
Disposals	-	284	14	298
Effect of movements in foreign exchange	(34)	(7)	(4)	(45)
Balance at 31 December 2019	(940)	(194)	(134)	(1,268)
Net book value				
At 1 January 2019	1,189	131	227	1,547
At 31 December 2019	1,161	102	216	1,479

8 INVESTMENTS

The Parent Company, Tony Blair Institute, is the sole member of Tony Blair Institute for Global Change, LLC which is incorporated in the USA. Under local legislation this entity is not required to issue shares.

The Parent Company has a £1 share (representing a holding of 100%) in TBIGC Limited which is incorporated and domiciled in the UK. TBIGC Limited was considered dormant for the period to 31 December 2018 but began trading during the year to 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

9 DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Trade debtors	4,553	5,744	4,526	5,743
Prepayments and accrued income	4,651	1,826	4,634	1,787
Amounts due from other Group companies	-	-	429	57
Other debtors	2,219	1,929	2,202	1,912
	<u>11,423</u>	<u>9,499</u>	<u>11,791</u>	<u>9,499</u>

All amounts shown under debtors fall due for payment within one year, except for property rental deposits totalling \$1,657,000 (2018: \$1,564,000) which are due after more than one year (Group and Company). All amounts due from other Group companies are held on an arm's length basis and are receivable on demand with no set repayment date. No interest is charged on such balances.

10 CREDITORS

	<i>Group</i>		<i>Company</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Trade creditors	1,592	1,740	1,590	1,708
Accruals and deferred income	24,190	28,563	24,127	28,556
Taxation and social security	460	349	428	296
Other creditors	1,904	1,699	1,892	1,699
	<u>28,146</u>	<u>32,351</u>	<u>28,037</u>	<u>32,259</u>

All amounts shown under creditors fall due for payment within one year (Group and Company).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

11 PROVISIONS

Group and Company

	<i>Dilapidations</i>	<i>Doubtful debts</i>	<i>Total</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Balance at 1 January 2019	484	92	576
Unwinding of discount	10	-	10
Effect of movements in foreign exchange	22	3	25
Balance at 31 December 2019	516	95	611

A provision is recognised in respect of trade debtors where the probability of recovery is doubtful.

A provision is recognised in respect of reinstatement obligations relating to leasehold properties (i.e. dilapidations). The balance of this provision at 31 December 2019 is the discounted present value of the amount expected to be required to settle the obligation at the end of the lease term.

12 LIABILITY OF MEMBER

Tony Blair Institute is a Company limited by guarantee and has no share capital. ACL Blair was the sole subscribing member at 31 December 2019 via the provision of a £1 guarantee. The Articles of Association of Tony Blair Institute provide that no dividends may be paid or capital otherwise returned to its member, nor may any remuneration be paid by Tony Blair Institute to ACL Blair.

13 LEASE COMMITMENTS

Future global minimum rentals payable under non-cancellable operating leases are as follows:

Group and Company

	<i>2019</i>	<i>2018</i>
	<i>\$000</i>	<i>\$000</i>
Not later than one year	2,222	2,224
Later than one year and not later than five years	6,509	6,543
Later than five years	3,750	5,159
	12,481	13,926

During the year, \$3,728,000 was recognised as an expense in respect of operating leases (2018: \$3,633,000). These leases relate predominantly to leasehold property, including office premises and accommodation for overseas employees.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

14 FINANCIAL INSTRUMENTS

(a) Financial assets measured at amortised cost

	Group		Company	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Trade debtors	4,553	5,744	4,526	5,743
Amounts due from other Group companies	-	-	429	57
Accrued income	3,364	872	3,364	850
Other debtors	2,219	1,929	2,202	1,912
	10,136	8,545	10,521	8,562

(b) Financial liabilities measured at amortised cost

	Group		Company	
	2019	2018	2019	2018
	\$000	\$000	\$000	\$000
Trade creditors	1,592	1,740	1,590	1,708
Other creditors	6,544	5,788	6,447	5,781
	8,136	7,528	8,037	7,489

15 RELATED PARTY TRANSACTIONS

The Company charged an amount of \$122,000 (2018: \$200,000) to Blair Partnership, which operates and manages all the commercial activities of ACL Blair and of which ACLB is a partner. This charge was made in respect of office occupancy, communications, logistics support, travel and events planning and legal and finance services provided by employees to ACL Blair in his personal capacity. At 31 December 2019 there was a balance receivable by the company of \$122,000 (2018: nil); this balance was settled in full on 10 January 2020.

Milltown Partners LLP (under the control of a Group director) provides strategic communications advice to Tony Blair Institute. During the year, the Company paid Milltown Partners LLP \$153,000 (2018: \$272,000) for services rendered. At 31 December 2019 there was a nil balance receivable by the Company (2018: balance payable of \$35,000).

Key management personnel for the year ended 31 December 2019 were the directors of the Group. The remuneration of the directors is disclosed in Note 4 to the Financial Statements. ACL Blair received no remuneration.

16 PENSION LIABILITY

The Group provides a defined contribution pension scheme for its employees in the UK. The pension cost for the year was \$427,000 (2018: \$398,000). Outstanding contributions at 31 December 2019 totalled \$49,000 (2018: \$31,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

17 CONTROLLING PARTY

The Group and Company is controlled by ACL Blair, being the only subscribing member of the Company.

18 POST BALANCE SHEET EVENTS

After the end of the financial year, the Covid-19 outbreak began to spread around the world and was declared a pandemic. In March 2020, lockdown restrictions were implemented in the UK and in other countries where TBI operates.

These events, and the effects thereof, are not considered to have a material impact on the financial position of the Company or Group at the reporting date. The assessment of the directors regarding the Group's ability to continue as a going concern is described in Note 1: Accounting Policies.