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# The Tony Blair Governance Initiative

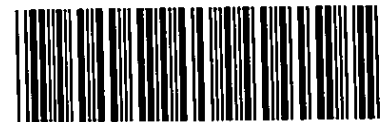
## Annual Report and Financial Statements

Period to 31 December 2009

Company Limited by Guarantee  
Registration Number  
6779669 (England and Wales)

Charity Registration Number  
1132422

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

<b>Patron</b>	Rt Hon Tony Blair
<b>Trustees</b>	Elizabeth Ann Lloyd Stephen Richard Lewin Rt Hon Hilary Armstrong
<b>Company secretary</b>	Broadway Secretaries Limited
<b>Chief Executive</b>	Kate Gross
<b>Registered office</b>	50 Broadway London SW1H 0BL
<b>Correspondence</b>	PO Box 60519 London W2 7JU
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<b>Company registration number</b>	6779669 (England and Wales)
<b>Charity registration number</b>	1132422
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	Lloyds TSB Bank Plc
<b>Solicitors</b>	Bircham Dyson Bell LLP

## **Trustees' Report - Period to 31 December 2009**

The Trustees present their report together with the financial statements of The Tony Blair Governance Initiative (which is known as the Africa Governance Initiative, or "AGI") for the period from 23 December 2008 to 31 December 2009

The report has been prepared in accordance with Part VI of the Charities Act 1993 and is also a directors' report for the purposes of company legislation

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 28 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities'

## INTRODUCTION

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### *AGI: background and beginnings*

The Africa Governance Initiative pioneers a new way of working with African countries, equipping committed African leaders with the capacity to deliver the public services which their citizens have a right to expect, to tackle deep-rooted poverty, and to attract the sustainable investment necessary to build strong economies for the future

Africa's underdevelopment has long attracted external support and aid to address chronic issues of poverty and human development. AGI provides a unique complement to these existing efforts by working with African governments at the highest levels, partnering a new generation of African leaders and the public service supporting them to build the capacity that will allow those countries to drive their own development agendas.

Africa was a recurrent theme in the Rt Hon Tony Blair's foreign policy whilst he was Prime Minister – from the Commission for Africa and the Gleneagles summit to the military intervention in Sierra Leone. Since leaving Office, he has renewed his commitment to Africa's development by founding the Africa Governance Initiative, for which he acts as Patron and strategic advisor. The charity works with countries – currently Sierra Leone, Rwanda and Liberia – that are at potential turning-points, where a tragic past has left a lack of capacity and deep poverty, but where there is clear potential and a leader with the vision and will to achieve progress.

#### **Why does effective governance matter?**

*"For the poorest and most vulnerable, the difference that good, or particularly bad, governance makes to their lives is profound: the inability of government institutions to prevent conflict, provide basic security, or basic services can have life-or-death consequences; lack of opportunity can prevent generations of poor families from lifting themselves out of poverty; and the inability to grow economically and collect taxes can keep countries trapped in a cycle of aid-dependency. Understanding governance, therefore, is central to achieving development and ending conflict."*

DfID, *The Politics of Poverty: Elites, Citizens and States*, 2010

### ***Our Vision***

There is a common consensus that Africa's growth and development will be led by Africans themselves. AGI shares this belief. The charity is therefore underpinned by two principles, both of which arise from the findings of the 2005 Commission for Africa:

- First, that effective governance is essential for political leadership to fulfil its potential and achieve successful development,
- Second, that developing a thriving private sector through investment and reform is the only way to create sustainable development in Africa, and end aid dependency.

The Africa Governance Initiative seeks to further these principles through programmes of support to partner countries. The AGI model is unique and innovative, combining The Rt Hon Tony Blair's

experience as a leader and the relationships he forms with Presidents and their governments on behalf of the charity, with on-the-ground project teams recruited from the best of the international public and private sectors who work within and alongside our partner governments. The charity's work complements the extensive development assistance offered in the governance sphere by focusing on the heart of government, as the key to unlocking overall government effectiveness and successful implementation of the policy

#### **What does effective governance mean?**

*"The successful delivery of those public goods and services which citizens have a right to expect."*

Mo Ibrahim, *Towards a Well Governed Africa*, June 2010

change which will lead to poverty reduction. This model has been developed from a careful study of the existing literature on capacity-building and governance reform and in close partnership with the governments themselves – in particular the Government of Rwanda, whose input in the early stages of AGI's development was vital in helping to shape the charity's approach.

## Trustees' Report - Period to 31 December 2009

### *Regulatory and Administrative details*

This, the first annual report and set of financial statements, covers activity undertaken by the Africa Governance Initiative during the period from incorporation, on 23 December 2008, to 31 December 2009. The Trustees seek to be open and transparent about the full range of activity undertaken, both before and after charitable registration in late 2009. As such, the Trustees wish to use the opportunity of the first annual report to tell the story of the Africa Governance Initiative from its inception from a not-for-profit unit within the Office of Tony Blair, through its set-up phase, to the point where it is now a fully-fledged charity. The activities which were undertaken both before and after charitable registration were charitable in their aim and substance, and were funded from ring-fenced charitable grants and donations. The activities have been undertaken by the same core Management Team throughout, led by the Chief Executive, to whom the Trustees have delegated authority to lead the organisation and the projects in Africa. As such, whilst the financial statements cover only the narrower range of activity carried out from within the charity (i.e. the Rwanda project from September-December 2009 and the Liberia project from August-December 2009), and the Trustees' responsibility is limited to this period, this report includes a narrative detailing the full range of work carried out both from within the Office of Tony Blair, and from the charity.

The Africa Governance Initiative began scoping work for the projects in Rwanda and Sierra Leone in late 2007. It was always intended that these activities would be charitable, however, in order to get support to the governments of Rwanda and Sierra Leone underway rapidly, the work of the Africa Governance Initiative was originally carried out from within a separate, not-for-profit unit within the Office of Tony Blair. The Africa Governance Initiative was set up as a company limited by guarantee on 23 December 2008 (named the "The Tony Blair Governance Initiative"). This company became a registered charity in England and Wales on 3 November 2009, and following this the Trustees took over responsibility for the activities undertaken by the Africa Governance Initiative, including those previously carried out from within the Office of Tony Blair. During the reporting period, the Trustees had strategic input into the work carried out from the Office of Tony Blair, but did not have legal responsibility for or control of these activities, or of the funds which made them possible, until the dates specified below:

- In September 2009 a new project in Rwanda commenced under the auspices of the charity, building on the initial work carried out in Rwanda from within the Office of Tony Blair,
- In August 2009 a new project in Liberia commenced under the auspices of the charity, and
- Outside of this reporting period, on 1 January 2010, the project in Sierra Leone and all remaining assets, liabilities and other activities were transferred to the charity.

As such the next annual report and financial statements covering the year to 31 December 2010 will report on the activities of the Africa Governance Initiative during its first full year of operation. The table overleaf sets out the transition of the activities of the Africa Governance Initiative from the Office of Tony Blair to the charity.

## Trustees' Report - Period to 31 December 2009

### Evolution of AGI Projects

	Scoping Phase and Phase I	Phase II
<b>Rwanda</b>	<ul style="list-style-type: none"><li>• February 2008 – August 2009</li><li>• Office of Tony Blair</li></ul>	<ul style="list-style-type: none"><li>• September 2009 - present</li><li>• AGI</li></ul>
<b>Sierra Leone</b>	<ul style="list-style-type: none"><li>• June 2008 – December 2009</li><li>• Office of Tony Blair<sup>1</sup></li></ul>	<ul style="list-style-type: none"><li>• January 2010 - present</li><li>• AGI</li></ul>
<b>Liberia</b>	<ul style="list-style-type: none"><li>• July 2009 – present</li><li>• AGI</li></ul>	<ul style="list-style-type: none"><li>• Not applicable</li></ul>

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<sup>1</sup> On 1 January 2010 all the remaining assets, liabilities and other activities from Phase 1 of the Sierra Leone project were transferred to the charity

## ACTIVITIES, SPECIFIC OBJECTIVES, ACHIEVEMENTS AND PERFORMANCE

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### ***AGI's charitable objects:***

- 1) To promote and advance the efficient public administration of government and public services for the public benefit with a view to relieving poverty by improving the skills and capacities of individuals within government and public services, and the systems and processes of government and public services.*
- 2) To promote sustainable development with a view to relieving poverty, by the improvement of conditions of life in communities facing poverty and social disadvantage, and the creation of sustainable means of achieving economic growth and regeneration.*
- 3) To advance the education of the public about good governance and sustainable development.*

In the first two years of the Africa Governance Initiative's existence, the principal objective has been to establish projects with partner countries to improve the effectiveness of public administration, by which we mean stable and capable governments that are able to deliver policies that lift their people out of poverty

In order to achieve this, the charity has established projects providing support, capacity building and mentoring at the very heart of partner governments. The model adopted by the Africa Governance Initiative is based on the body of academic evidence which has established that good governance is central to delivering poverty reduction. Such evidence demonstrates that countries with better governance experience greater economic growth – and therefore poverty reduction. In a similar vein, studies by the World Bank and others have shown that a sound policy environment and effective governance can be a "force multiplier" for other forms of development intervention, leading to more significant impacts on poverty reduction. In its support to partner governments, AGI focuses its efforts on those policy areas which will have the greatest impact on poverty reduction and sustainable development, as set out in the charitable objects, these are the drivers underpinning every aspect of AGI's work. One area that is central to any attempts to reduce poverty is the growth of the private sector through sustainable investment that will provide jobs, improve people's livelihoods, and over time reduce the dependence on foreign aid. As such, one aspect of AGI's work focuses on supporting partner governments to help them sustainably develop their private sectors through the attraction and facilitation of investment and the creation of an enabling environment for business.

The countries in which the Africa Governance Initiative operates were selected according to criteria that have been agreed by the Trustees. First, the charity works only in the poorest countries in the world. Second, the charity works with governments committed to reform, where there is strong

## **Trustees' Report - Period to 31 December 2009**

demand for AGI's support (with all three current partners, the initial approach was made from the government to AGI). Third, the charity will only seek to undertake projects where an intervention by AGI will be additive to existing development assistance, and can be carried out in a politically neutral manner. AGI is proud to acknowledge the great strides that have been taken by partner governments in leading Rwanda, Sierra Leone and Liberia out of decades of conflict and misrule. But these governments would be the first to admit that progress, however great, is fragile, and that in each country there remain great challenges to be surmounted before the vision can be achieved. Working in these environments is complex, and involves managing significant risk and uncertainty. The Trustees review progress in each project, and attendant risks, regularly.

The Trustees are committed to effective external evaluation of the charity's work. Comprehensive monitoring and evaluation frameworks are in place for each project in Africa, and these frameworks are being enhanced and developed over time as AGI continues to learn more about what works. During the reporting period, work with partner countries was at an early stage – as the Commission for Africa and others have noted, achieving significant, system-wide change in Africa, and particularly in the countries AGI operates in, is likely to take years rather than months. Similarly, it is commonly acknowledged that proving unequivocal causal links between effective governance and specific poverty reduction outcomes is challenging, given the range of other factors at work. Notwithstanding these constraints, the Trustees are confident that during the reporting period, AGI has had a significant impact on the effectiveness of public administration in the countries in which it operates – something which has been confirmed by independent external evaluations undertaken of AGI's work – and that this flows through to better policies, better public services, and improved livelihoods for the people of Rwanda, Sierra Leone and Liberia. AGI are now beginning to assess how the model operating in Rwanda, Sierra Leone and Liberia could be extended and leveraged to have greater impact, both by launching new projects in Africa, and by engaging in broader debates with the public and policy makers about the potential benefits of AGI's approach.

During the reporting period, the charity's activities fell under the following major areas of work: (1) establishing and carrying out capacity building projects in Africa, (2) AGI's organisational development.

## OUR PROJECTS. BUILDING CAPACITY IN AFRICA

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### RWANDA

#### *Objectives and activities*

Rwanda is one of Africa's most remarkable success stories. Sixteen years after the devastation of the genocide, it is a country transformed. Average economic growth of 6-10% a year has been matched by major improvements in social indicators like health, where under-5 mortality has halved since the Nineties, and education, where Rwanda is well on its way to achieve the goal of universal access to primary education with gender parity. But there is still much more to do, as the Government of Rwanda are the first to recognise. Poverty remains acute with approximately 57% of the population living on less than 25p a day. Whilst there have also been strides in governance – stability and growth have been achieved, and Rwanda has the highest levels of female parliamentary representation in the world – the journey is not yet complete. Rwanda has ambitious plans to become a middle-income country within a generation. Meeting this goal will require a step-change in the capability of government to deliver for all Rwandans, and attract sustainable private sector investment.

*"We all acknowledge that we face capacity problems here [in Rwanda] – but the key question is what are we going to do about it? If we don't have the skills here, go out and get it from somewhere. That is why we removed the need for work permits for foreigners in Rwanda – and that is why we have sought the support of our friends and "borrowed their capacity", so that they can help us in the short term and transfer skills, and then enable us, by ourselves, to develop in the long term"*

His Excellency Paul Kagame, 16 February 2009

The AGI Rwanda Project was launched in February 2008. The first phase of work up to 31 August 2009 was run from a not-for-profit unit within the Office of Tony Blair, and the second phase from 1 September 2009 was run by the charity. The objective of the project is to help Rwanda achieve its vision for a prosperous, stable future by building capacity in the heart of government. A team of 8-10 staff have been on the ground in Rwanda since July 2008, providing support to central institutions within the Government of Rwanda such as the Presidency, the Prime Minister's Office, and the Rwanda Development Board.

#### *Achievements and performance 2008-09*

The project aims to establish effective governance so that Rwanda achieves its vision for a prosperous, stable future, by implementing successful policies and attracting sustainable investment to reduce poverty and promote development. During the first 18 months of the project, this has been achieved through a combination of the support offered to President Kagame and his government by the Patron, the Rt Hon Tony Blair (who has visited the country on behalf of the charity on a number of occasions), and the intensive work of AGI's Rwanda-based team.

## Trustees' Report - Period to 31 December 2009

### Progress in Phase I of the project<sup>2</sup>

From July 2008 until August 2009, a team were based in Rwanda under Phase I of the project. The team worked side-by-side with their Rwandan counterparts to improve skills, embed effective systems, and enable the Government to deliver its ambitious poverty reduction agenda. Some important activities of the first phase of the Rwanda project were

- Building effective relationships with Rwandan counterparts, to create the conditions for capacity building to be a success and to make change sustainable
- Supporting the creation of an effective centre of government with strong and stable institutions, focused on the delivery of Rwanda's poverty reduction priorities such as energy, agriculture and private sector development. These institutions included the President's Strategy and Policy Unit, the Prime Minister's Coordination and Delivery Unit, the Cabinet Secretariat, and the Rwanda Development Board
- Working alongside Government of Rwanda officials to co-develop effective systems such as a new "Cabinet Manual" to strengthen the decision-making capacity of the Rwandan Cabinet, and a coherent reporting structure to allow progress to be tracked against the Government's priorities, e.g. through Prime Ministerial "stock take meetings" on health and education
- Undertaking capacity building with counterparts from the Government of Rwanda, through a combination of on-the-job coaching and support and formal and informal training. In particular we adopted a 'train the trainer' approach to the roll-out of the "Cabinet Manual", in order to ensure that it became widely used across the Government of Rwanda and the role of the Cabinet Secretariat was maximised
- Building the public policy space in Rwanda, by working closely with Rwanda's first ever think tank, the Institute of Policy, Analysis and Research (IPAR), and enabling it to get off the ground after many years of false starts. IPAR is now producing high quality research outputs that are relevant to the needs of Rwanda, and has successfully brought together government, donors, private sector and civil society in a number of new platforms to debate Rwanda's future policy direction, for example on the impact of customer service on the Rwandan economy

*"Significant progress has been achieved by the team since their arrival almost a year ago. I can already see evidence of real change, both in my own office as well as across government. The strategy pursued is effective in that Tony Blair's team works with Rwandan counterparts to affect genuine skills transfer. This is a proven method of capacity development that others should emulate."*

His Excellency Paul Kagame,  
10 May, 2009

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<sup>2</sup> Undertaken by a not-for-profit unit within the Office of Tony Blair

Progress under Phase II of the project<sup>3</sup>

In September 2009, a second phase to the Rwanda project was launched, continuing the important set-up work done in Phase I, and deepening AGI's support to the Government of Rwanda. The outcomes during the reporting period should be seen as building upon the foundations established in the first phase. During the period, AGI has been responsible for

- Strengthening the governmental prioritisation and internal planning systems vital to achieving poverty reduction in Rwanda. For example, the charity has been instrumental in supporting the Government of Rwanda's planning cycle, which culminates in an annual "retreat" bringing together government, civil society, the public and private sector in Rwanda. The planning cycle focuses on the priorities the Government has chosen as being essential to its development, such as extending the supply of affordable electricity, increasing agricultural productivity, and setting a strategy for the development of small and medium-sized enterprises.
- Working with the new government institutions established in Phase I of the project to improve government capability. For example, the charity has continued to support the new Strategy and Policy Unit in the Office of the President. The unit is designed to meet the President's day-to-day policy requests as well as increasingly focusing on the delivery of the strategic challenges for Rwanda, including supporting the Government's annual strategic planning and budgetary cycle. The charity has also supported the organisational development of the Rwanda Development Board, the organisation established by the President to act as a "one-stop-shop" to attract and facilitate investment in Rwanda's key growth sectors of agriculture, tourism and infrastructure.
- Capacity building and training for staff and leaders of the government. Through its work in strengthening key functions in the centre of government, the charity has aided with the ongoing recruitment, training and mentoring of Rwandan staff in five units. For example, the charity has built the capacity of the Investment Promotion team at the Rwanda Development Board through on-the-job training, the development of bespoke products to engage with potential investors both domestically and internationally, and improving the organisation's "after care" of potential investors. This culminated in November 2009 as the Government of Rwanda signed a major investment deal in sustainable biofuels, which should create thousands of jobs in Rwanda.
- Supporting Rwanda's broader efforts to build capacity and capability, echoing the Commission for Africa's finding that the key to building capability must be comprehensive strategies drawn up by African Governments themselves. Given its tragic history and a legacy of chronic under-investment in skills, a study in 2009 identified low human capacity as the principal barrier to Rwanda's development. Therefore, in the second phase of the project's work the charity has provided support to the development of a cross-government approach to capacity building, with a member of AGI staff based in the Government's Capacity Building Secretariat, which will focus efforts to ensure that where the government has identified a priority – for example, providing affordable energy – the skilled capacity needed to make this a reality is available.

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<sup>3</sup> Undertaken by the charity

## **SIERRA LEONE**

### ***Objectives and activities***

Sierra Leone is a country taking ever greater strides away from its troubled past. The ten-year civil war that ended in 2002 took its toll on Sierra Leone's economy, infrastructure and institutions, and the country found itself at the bottom of the UN Human Development Index. However, a recovery is well under way. Blessed with abundant natural resources – minerals, fisheries, rich arable land, an unspoilt coastline, and the third largest natural harbour in the world – Sierra Leone can now look forward with hope once more.

Sierra Leone's 2007 free and fair elections were important milestones for the country's development. President Ernest Bai Koroma has pledged to run his government "like a business", and has focused his "Agenda for Change" on re-building Sierra Leone's economy, reforming the public sector, and tackling corruption, as a means to achieving economic and human development. But the powerful progress achieved so far is fragile, and accelerating Sierra Leone's reconstruction by meeting the President's ambitious goals on private sector growth, infrastructure, healthcare and agriculture will be challenging, requiring significant change in the government's ability to set and deliver its priorities.

Scoping work for the Sierra Leone Project began in January 2008 and the project was launched in June of the same year, from a not-for-profit unit within the Office of Tony Blair. The project's overarching aim is to develop the capacity of the Government to set and deliver its priorities – which are squarely focused on lifting Sierra Leone out of poverty. A team of 8-10 staff have been on the ground in Sierra Leone since October 2008, providing support in key government institutions, including the Office of the President and the Ministries of Agriculture and Health.

*"They are asking us what we need – not telling us what to do, as others have in the past. This makes a huge difference. We hope that other donors follow this same path."*

Dr S.A.S. Kargbo, Director of Reproductive and Child Health, Sierra Leone Ministry for Health, March 2010

### ***Achievements and performance 2008-09<sup>4</sup>***

The objective of the project is to support the establishment of effective governance in the centre of the Government of Sierra Leone, so that they are able to set – and most importantly deliver – their vision of lifting Sierra Leone out of poverty. During the period, this has been achieved through a combination of the support offered to President Koroma and his Government by the Rt Hon Tony Blair (who, on behalf of the charity, has visited the country on a number of occasions), and the intensive work of AGI's Sierra Leone-based team. The key activities of the project (which, during the reporting period were undertaken from the Office of Tony Blair, but into which the Trustees had strategic input), can be summarised as follows:

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<sup>4</sup> Undertaken by a not-for-profit unit within The Office of Tony Blair

## Trustees' Report - Period to 31 December 2009

- During the early scoping phase of the project, AGI focused on working alongside partners within Sierra Leone, the Government, the private sector, civil society, and with key stakeholders from the international community, in order to understand the context and to design a framework for AGI's project in the country
- Following the initial start-up phase, a team of AGI staff have been based on the ground in Sierra Leone since early October 2008. The team's work has focused on the Presidency, core Ministries and sustainable private sector development. They have sought to put in place effective systems and processes to bridge the gap between vision and action, bolstering the ability of the government to deliver on those policies most vital to reconstruction and poverty reduction, the provision of energy, healthcare, infrastructure, jobs and education. The government of Sierra Leone has made huge strides during the period in a number of vital areas. In addition, and supporting this, important outcomes of the AGI project to-date have been
  - Supporting the creation of a more effective centre of government, better able to deliver Sierra Leone's poverty reduction agenda. This included, for instance, strengthening the administrative procedures around the President to manage his time more effectively and working with the newly established Strategy and Policy Unit (SPU) in the Office of the President, who are focussed on addressing the greatest drivers of poverty in Sierra Leone.
  - Building effective systems and processes to increase transparency and accountability within government. For example, AGI has supported the government of Sierra Leone's innovative new "Performance Contracts" between the President and each of his Ministers. AGI worked with the SPU to develop project management tools such as "progress trackers" which enable the President to monitor and intervene in his priorities. These were used, in particular by the SPU, meeting regularly with the President to oversee the completion of the Bumbuna hydroelectric dam, bringing affordable and sustainable electricity to Freetown for the first time in Sierra Leone's history.
  - Undertaking capacity building with counterparts from the Government of Sierra Leone, through a combination of on-the-job coaching and support, and formal and informal training. This has been extended to AGI's Sierra Leonean counterparts in the Presidency, in five key Ministries central to achieving poverty reduction, and in the Investment Promotion Agency.
  - Supporting the delivery of major policy outcomes – focusing on those which will have the greatest impact on lifting Sierra Leone out of poverty. Following the independent evaluation of Phase I, the AGI team has focussed its efforts on a small number of the President's key policy aims, so as to create a "demonstration effect" of improved governance and accountability systems leading to tangible improvements in the lives of ordinary Sierra Leoneans on-the-ground. In particular, in the health sector AGI has supported the implementation of the free healthcare initiative for pregnant women and young children. This should help tackle Sierra Leone's infant and maternal mortality figures, which have historically been amongst the worst in the world. Recognising the importance of sustainable investment to Sierra Leone's growth and development, AGI helped to organise Sierra Leone's first international investor conference, held in London in November 2009 and supported by the Government's international development partners.

## Trustees' Report - Period to 31 December 2009

The Sierra Leone project was transferred to the charity on 1 January 2010, and as such activities under this project will be covered in full in the charity's next Annual Report

### **LIBERIA**

#### ***Objectives and activities***

Liberia is a small and beautiful country that has been devastated by conflict. Once one of the most stable and prosperous nations in Africa, after two decades of civil war which killed almost ten percent of the population and more than halved the size of the economy, Liberia is only now on the road to recovery.

Peace was negotiated in 2003, and in 2005 free and fair elections led to the election of Africa's first female Head of State, President Ellen Johnson Sirleaf. The Liberian government is trying to move the country towards a more prosperous, stable future with a broad set of policies to foster peace, accelerate reconstruction and development, and build strong systems of governance. Security in the country has stabilised, the economy is growing, roads and buildings are being rebuilt, health clinics and schools are re-opening and agricultural production is increasing. However, there are still enormous challenges to be faced: the security situation remains fragile, unemployment is high and physical infrastructure such as roads and power is still inadequate. Crucially, the government struggles to find the capacity to deliver effectively for the people of Liberia.

*"We are very much looking forward to working with the Africa Governance Initiative... We have been impressed by their experience and enthusiasm and have high hopes for what we may be able to achieve with them."*

Dr. McClain, Minister for Presidential Affairs,  
Government of Liberia, February 2010

#### ***Achievements and performance 2009***

Scoping work for the Liberia Governance Project began in July 2009, and the project was launched in February 2010 (all of the work has been carried out under the auspices of the charity). As such, the project is at an earlier stage than AGI's other two programmes. The aim of the project is to build the Government's capability to deliver its key objectives around poverty reduction. A team of 5 staff are working in Liberia, building the technical capacity of staff working in the Ministry of State (the office of the President), strengthening coordination within the Ministry and supporting the Government in developing its internal communication systems.

During 2009, the central focus of the charity's activities in Liberia was scoping for the launch of a fully-fledged project. The key outcomes of the scoping phase, which falls entirely within the reporting period, can be summarised as follows:

- Strong relations with the Government of Liberia, with the private sector, civil society, and with key stakeholders from the international community, in order to understand the context and to

## Trustees' Report - Period to 31 December 2009

create a detailed view of the Government of Liberia's priorities for support, from which a programme could be designed alongside the President and her team

- A significant amount of practical and strategic advice and ongoing support to the Government of Liberia. This work has covered a number of areas, but has in particular focused on a redesign of the Ministry of State

Building on the successful scoping work carried out in 2009, the AGI Liberia project was launched in early 2010, with the first of regular visits by Mr Blair to the country, and a team of staff from the Africa Governance Initiative is now embedded in support of the Ministry of State. The objective of the project is to design and embed key systems and processes within central government, to offer capacity building support, and through this to assist with the delivery of policies and programmes (e.g. energy, road building, infrastructure) central to Liberia's reconstruction. The project also aims to improve the Government's strategic planning capabilities to ensure they are able to deal with the important current and future challenges Liberia will face as it continues its progress towards a more prosperous and stable future.

## OUR ORGANISATIONAL DEVELOPMENT

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As an organisation primarily based in Africa, AGI aims to attract and deploy high-calibre individuals to work alongside partner governments in a flexible, delivery-focused manner. Since AGI's inception, the Trustees have therefore focused on building an effective organisation - putting in place robust governance structures and internal capabilities - to deliver AGI's charitable objectives in Africa. This is a crucial endeavour, given the complexity of AGI's mission, the inherent risks of operating in some of the world's least developed countries, and the new approach to development embodied by the charity's work. The past two years have seen the Africa Governance Initiative grow from a small, not-for-profit organisation to a fully-fledged charity, and what follows is a summary of the key activities undertaken in 2009 to support this organisational development.

- It is a mark of significant trust that AGI is able to work at the very heart of partner governments in Africa. The charity is passionately committed to building the strongest possible teams, worthy of the unique position and access granted to AGI by our African partners. Recruitment and development of our staff has been and will remain a key priority for the charity, so that it can attract top-quality people from the international public and private sectors (the charity's current staff originate from a range of backgrounds - for example the UK Civil Service, McKinsey & Co, JP Morgan, The Blackstone Group, the United Nations Development Programme, Demos and the Harvard Kennedy School of Government).
- A framework and set of policies and procedures have been established to guide the work of the charity's teams in Africa, and a small team of staff brought together in London to support the work in Africa from an operational and strategic perspective. Effective governance and risk management structures have been established at the level of the Board of Trustees and within the Management Team.

A significant focus of AGI's activities has been an outreach programme to learn from other actors in the International Development sphere, and to build the charity's networks of stakeholders to inform

our work. Over time, it is hoped that this will evolve into work to communicate the core lessons from the charity's projects to others in the development space, and more broadly to make the case for effective governance in Africa.

## **FUTURE PLANS**

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The Trustees intend to develop the Africa Governance Initiative over the coming year by continuing the charity's work in Sierra Leone, Rwanda and Liberia. Alongside this, and on the basis of the project's outcomes, they wish to build detailed on-the-ground knowledge of what works in developing effective governance in Africa. Over time, AGI hopes to use this learning to broaden the charity's impact on both government capability and sustainable development in Africa. In particular, in 2010 they wish to

- Extend the commitment and support to the charity's existing projects, in order that AGI can have maximum impact on government capability in these three countries at pivotal moments in their development,
  - In Rwanda, AGI's project will continue through 2010 and into 2011. The Trustees expect the team to focus in particular on strengthening the Government's annual planning and budgeting cycle (the "Kivu" process), supporting the development of the Rwanda Development Board, for example by providing capacity building support to a "Strategic Investment Unit", and creating more effective mechanisms by which the government can hold itself accountable for delivery of the key poverty reduction policies. AGI will continue its work with the Government of Rwanda to develop and implement an effective capacity building strategy, backed by the development partners, which will see capacity building efforts focussed on the Government's priorities.
  - AGI launched the second phase of its work in Sierra Leone in January 2010. Building on the success of the first phase, the project now aims to align its efforts squarely behind the policy priorities most central to Sierra Leone's reconstruction: healthcare, agriculture, and development of a vibrant private sector. In order to achieve this, the team will continue its work to build an effective centre of government, in particular by supporting the Strategy and Policy Unit. Alongside this AGI will deepen its focus on the Ministry of Health, aiming to support the implementation of free healthcare for pregnant women and young children (which will "go live" in 2010 after a planning phase in 2009), and from there to move towards a "sector wide approach", and in the Ministry of Agriculture, where AGI will help to develop the systems and processes necessary to deliver a package of support to Sierra Leone's smallholder farmers, who underpin the country's livelihood and economy and hold the key to sustainable, pro-poor economic growth.
  - Over the course of 2010 the AGI project in Liberia will focus its attention on building an effective centre of government in order to enable delivery of critical priorities necessary for the country's reconstruction and prosperity, such as affordable power, roads and more open and effective ports. AGI will be working to help improve overall government capability, by establishing systems and processes in the President's Executive office, the Cabinet Secretariat, Public Affairs Department and the

## Trustees' Report - Period to 31 December 2009

Programme Delivery Unit, building the technical capacity of staff working in the Ministry of State, strengthening coordination within the Ministry and supporting the government in developing its internal and external communication systems

- Alongside this focus on sustainable change in the countries AGI is already engaged with, the Trustees will explore new projects with other countries where they feel the charity can have maximum impact
- As set out above, the Trustees are committed to AGI being a learning organisation. In the course of 2010, the charity plans to further develop its comprehensive monitoring and evaluation frameworks for each of the projects, culminating in external independent evaluations of Phase II of activities in Rwanda and Sierra Leone, and Phase I of the Liberia project, in the course of 2011. Alongside this, the Trustees intend to begin to codify and share AGI's knowledge and experience for the broader public benefit and use by practitioners, by developing toolkits, sharing lessons-learned and working with partners to expand the charity's impact across many more countries. The charity hopes, by raising awareness and understanding of effective governance, to encourage other countries and leaders to improve it as a means of achieving poverty reduction and sustainable development.
- The Trustees will continue to build an effective organisation, able to attract and retain exceptional staff, support the delivery of the charity's objectives in Africa, and extend the charity's reach to a broader audience. Particular activities planned for 2010 include AGI's first staff training week, planned recruitment rounds to draw in new talent, and deepening our outreach with key partners in the international development community and across Africa.
- Finally, the Trustees will continue their efforts to build a sustainable funding base for the charity's activities in Africa. AGI's work cannot be undertaken without the generous support of our funders and partners, and we are profoundly grateful to them. In the future, AGI will look to expand and deepen our funding base in order to be able successfully to undertake our existing and future projects.

## PUBLIC BENEFIT

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The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, both when preparing the application for charitable registration, and when reviewing the charity's objectives and aims and in planning future activities for the year.

The Trustees consider that The Tony Blair Governance Initiative's aims are demonstrably to the public benefit, in that the charity's main activities are

- Focussed on poverty reduction and the promotion of sustainable development,
- Educational, and
- Available free to partner governments in some of the poorest countries in the world, and to the public more broadly through the charity's website.

## Trustees' Report - Period to 31 December 2009

The ultimate beneficiaries of the charity's work are the public in the countries AGI operates – though the Trustees believe there is a benefit to the public in the UK, and internationally, from poverty reduction in Africa

### STRUCTURE, GOVERNANCE AND MANAGEMENT

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#### *Governance*

The Tony Blair Governance Initiative operates as a company limited by guarantee (Company No 6779669), under the terms of its Memorandum and Articles dated 23 December 2008. It was registered with the Charity Commission (No 1132422) on 3 November 2009. The Trustees have control of the charity and its property and funds.

Trustees are appointed by an Ordinary Resolution or by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Trustees. The following Trustees were in office at 31 December 2009 and served throughout the period, except where shown

<i>Trustee</i>	<i>Appointed/Resigned</i>
Broadway Directors Ltd	Appointed 23 December 2008 Resigned 20 February 2009
Alexandra Catherine Harle	Appointed 23 December 2008 Resigned 20 February 2009
Elizabeth Ann Lloyd	Appointed 20 February 2009
Stephen Richard Lewin	Appointed 20 February 2009
Rt Hon Hilary Armstrong	Appointed 20 February 2009

## **Trustees' Report - Period to 31 December 2009**

### ***Patron's role***

As Patron, the Rt Hon Tony Blair assists, for the benefit of the Africa Governance Initiative, the development and fulfilment of the aims of the charity, in particular through his role mentoring partner governments in Africa. In order to further the charity's objectives, the Patron makes regular visits to partner countries and is in frequent contact with the Presidents themselves. The Patron also generally promotes the charity and its activities, taking a significant role in fundraising for the charity.

The Trustees and the Patron have agreed a memorandum to confirm the regulations governing the relationship of the Patron and the Trustees. The Patron is not remunerated for his role with AGI and obtains no personal benefit from it.

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

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities SORP),
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **Trustees' Report - Period to 31 December 2009**

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

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

### ***Structure and management reporting***

Meetings of the Board of Trustees are held at least 4 times per year, informed as necessary by recommendations from the Chief Executive. The first meeting of the Board of Trustees was in February 2009 until charitable registration the Trustees met to discuss the establishment of the charity, and to offer strategic input to AGI's projects, though they did not have legal control of these activities until the dates stated above

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity and ensure the overall implementation of the organisational strategy which is agreed by the Trustees<sup>5</sup>

The Chief Executive heads AGI's Management Team, comprising the Director of Projects, Director of Strategy and Fundraising, and Project Leaders in Rwanda, Sierra Leone and Liberia. The Trustees have agreed appropriate levels of authority and delegation within the Management Team to effectively lead the organisation and the projects in Africa. There is regular communication between the Chief Executive, the Management Team, and the Trustees

### ***Working with other organisations***

The Africa Governance Initiative works with a number of other organisations – through formal contacts and informal collaboration – in the UK and beyond to help achieve its goals and pursue its charitable objectives

The Trustees are extremely grateful to the support provided to the Africa Governance Initiative from time to time by some of our partner organisations, including JP Morgan, Citigroup, Birscham Dyson Bell LLP, and Williams Connolly LLP

In 2010 AGI wishes to strengthen its strategic partnerships with organisations able to provide pro bono professional expertise and support to both AGI and the Governments that the charity works with in Africa

### ***Risk management***

The Board of Trustees reviews the charity's risk management strategy at each meeting. The major risks identified by the Trustees are

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<sup>5</sup> For part of the reporting period, this role was undertaken by Nick Thompson, covering the Chief Executive's maternity leave

## **Trustees' Report - Period to 31 December 2009**

- **Security and Personnel** given the fragile and challenging environments the charity operates in, injury to members of staff, risk of deterioration in the security situation, national emergency,
- **Sustainable delivery** the challenge of building sustainable capacity that will significantly outlast AGI's involvement with our partner governments,
- **Funding** insufficient resources to be able to implement its charitable activities effectively,
- **Reputational** damage arising from the actions of the charity or its employees, and
- **Objectives** non-compliance with charitable objectives, relevant laws and regulations

The Trustees have determined the major risks to which the charity is exposed, the potential impact if an individual risk materialises, and what action is to be taken by whom in order to reduce each risk to a level which the Trustees consider to be acceptable. The charity is committed to implementing and maintaining best practice with regard to risk management and that the concept and related processes are embedded into routine operations in all the countries the charity operates in.

### ***Investment policy***

The charity's investment policy is to hold cash balances in interest bearing accounts with UK and African banks.

The investment strategy is set by the Trustees and takes into account income requirements, the investment risk profile and future expenditure commitments. The charity's investment policy is considered by the Trustees at regular intervals.

During the period the charity received a small amount of interest. The Trustees are satisfied with this performance and that their investment objectives are being met.

### ***Financial review***

#### **Results for the period**

A summary of the incoming and outgoing resources for the period can be found on page 25.

The majority of AGI's income is project-specific restricted funding. Much of this funding is received in advance but is required by the Charity SORP to be included as income at the time of receipt rather than deferred to future periods. The value of restricted project funding received but not expended prior to 31 December 2009, and which does not form part of the charity's available reserves, was £1,046,000.

#### **Reserves policy**

The charity carries out a diverse range of activities which generally comprise long term and externally funded projects in Africa requiring significant ongoing financial commitment and investment. The policy of the charity is to enter into agreements with donors to receive funding to cover the anticipated costs of the project prior to commencing work.

## Trustees' Report - Period to 31 December 2009

The Trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the charity's work during the next financial year, the level of free reserves should be approximately 3 months of core expenditure to meet future costs of the charity.

The Trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to the timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

### Financial position

The charity's balance sheet shows total funds of £1,518,000.

These funds include £1,046,000 which is restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

General funds of the charity at 31 December 2009 total £472,000, which after deducting £7,000 tied up in fixed assets leaves a balance of free reserves of £465,000.

The excess of free reserves represents funds raised in advance which will be utilised on the planned activities of the charity during 2010, as outlined in this report.

Approved by the Trustees and signed on their behalf by:

Trustee

*E. A. Lloyd*

ELIZABETH ANN LLOYD

Approved by the Trustees on

*28/7/10*

**Independent auditor's report to the members of The Tony Blair Governance Initiative**

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We have audited the financial statements of The Tony Blair Governance Initiative for the period from 23 December 2008 to 31 December 2009 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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.

***Respective responsibilities of Trustees and auditors***

The Trustees are also the directors of the company for the purposes of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' responsibilities contained within the Trustees' report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

## **Independent auditor's report – Period to 31 December 2009**

### ***Basis of opinion***

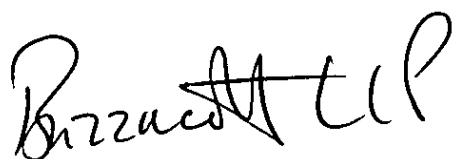
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### ***Opinion***

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' report is consistent with the financial statements



**Edward Finch, Senior Statutory Auditor**  
for and on behalf of Buzzacott LLP, Statutory Auditor  
12 New Fetter Lane  
London  
EC4A 1AG

29 July 2010

# Statement of financial activities - Period to 31 December 2009

		Restricted funds £000	Unrestricted funds £000	Period from 23 December 2008 to 31 December 2009 Total funds £000
	Notes			
<b>Income and expenditure</b>				
<b>Incoming resources</b>				
Incoming resources from generated funds				
Voluntary income	1	1,381	550	1,931
Gifts in kind – seconded staff		17	8	25
<b>Total incoming resources</b>		<b>1,398</b>	<b>558</b>	<b>1,956</b>
<b>Resources expended</b>				
Costs of generating funds				
Costs of generating voluntary income	2	-	27	27
Charitable activities				
Rwanda	3	287	35	322
Liberia		65	6	71
Governance costs	5	-	18	18
<b>Total resources expended</b>		<b>352</b>	<b>86</b>	<b>438</b>
<b>Net movement in funds/net income and funds carried forward at 31 December 2009</b>				
		<b>1,046</b>	<b>472</b>	<b>1,518</b>

There is no difference between the net movement in funds stated above, and the historical cost equivalent

All of the charity's activities derived from operations which commenced during the financial period

# Balance Sheet - 31 December 2009

	Notes	£000	2009 £000
<b>Fixed assets</b>			
Tangible assets	10		14
<b>Current assets</b>			
Debtors due within one year	11	30	
Cash at bank and in hand		<u>1,611</u>	
		1,641	
<b>Creditors amounts falling due within one year</b>	12	<u>(137)</u>	
<b>Net current assets</b>			<u>1,504</u>
<b>Total net assets</b>			<u>1,518</u>
<b>Represented by</b>			
<b>Funds and reserves</b>			
<b>Income funds</b>			
Restricted funds	13		1,046
Unrestricted funds			
General fund			<u>472</u>
			<u>1,518</u>

Approved by the Trustees and signed on their behalf by:

Trustee E.A.L.]

ELIZABETH ANN LLOYD

Approved on 28/7/10

## **Principal Accounting Policies - 31 December 2009**

### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in the preparation of these financial statements

### ***Incoming resources***

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period

Gifts of goods and services in kind are accounted for where the goods or services would have been acquired by other means if not provided free of charge The amount included in both incoming resources and resources expended in respect of these gifts in kind is an estimate of the amounts which would have been paid by the charity

### ***Resources expended and the basis of apportioning costs***

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered

Resources expended comprise the following

- a The costs of generating funds include the salaries, direct costs and overheads associated with generating donated income
- b The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the Trustees' report Such costs include associated salaries, direct costs and overheads
- c Governance costs are the costs associated with the governance arrangements of the charity that relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities, and one-off costs incurred in this financial period in order to establish the charity

The majority of costs are directly attributable to specific charitable activities Staff costs are apportioned to the expenditure headings listed above on the basis of time spent Other non-directly attributable costs are allocated on the basis of apportioned staff time

### ***Tangible fixed assets***

All tangible fixed assets costing more than £500 are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives

IT and telecommunications equipment	3 years
-------------------------------------	---------

## **Principal Accounting Policies - 31 December 2009**

### ***Fund accounting***

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions. Unrestricted funds are monies raised for general charitable purposes as established by the Trustees which are not subject to donor imposed conditions.

### ***Cash flow***

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

### ***Foreign currencies***

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

## Notes to the financial statements - 31 December 2009

### 1 Voluntary income

	Period from 23 December 2008 to 31 December 2009 Total funds £000		
	Restricted funds £000	Unrestricted funds £000	
General donations	1,381	550	1,931

### 2 Cost of generating funds

	Period from 23 December 2008 to 31 December 2009 Total funds £000		
	Direct costs £000	Support costs £000	
Staff costs	22	3	25
Premises costs	-	2	2
<b>Total</b>	<b>22</b>	<b>5</b>	<b>27</b>

### 3 Cost of activities in furtherance of the charity's objects

	Period from 23 December 2008 to 31 December 2009 Total funds £000		
	Direct costs £000	Support costs £000	
<i>Rwanda</i>			
Staff costs	158	19	177
Premises costs	7	13	20
Operational costs	122	3	125
	287	35	322
<i>Liberia</i>			
Staff costs	35	3	38
Premises costs	2	2	4
Operational costs	28	1	29
	65	6	71
<b>Total</b>	<b>352</b>	<b>41</b>	<b>393</b>

## Notes to the financial statements - 31 December 2009

### 4 Support costs

The following support costs have been allocated based on staff time attributable to each activity

	Period from 23 December 2008 to 31 December 2009 costs £000
Staff costs	31
Premises costs	17
Other costs	4
	<b>52</b>

### 5 Governance costs

	Direct costs £000	Support costs £000	Period from 23 December 2008 to 31 December 2009 Total funds £000
Auditor's remuneration	9	-	9
Staff costs	-	6	6
Other governance costs	3	-	3
	<b>12</b>	<b>6</b>	<b>18</b>

### 6 Net movement in funds/net income

This is stated after charging

	Restricted funds £000	Unrestricted funds £000	2009 Total funds £000
Auditor's remuneration			
Statutory audit services	-	9	9
Depreciation	1	-	1

## Notes to the financial statements - 31 December 2009

### 7 Employees and staff costs

AGI's staff are its greatest asset, and the foundation of all that the charity achieves in Africa. Staff costs during the period were as follows:

	2009 £000
Employees	
Wages and salaries	158
Social security costs	16
	174
Seconded, subcontractors and related charges	72
	<b>246</b>

AGI has benefitted substantially from the contribution made by staff seconded from other organisations. Such staff form an integral part of the organisation and the project teams in Africa. Seconded, subcontractors and administrative support costs of £72,000 incurred during the period by the charity in its establishment and furtherance of its charitable activities are included in staff cost.

Staff costs analysed by activity were as follows:

	2009 £000
Costs of generating funds	25
Charitable activities	
<i>Rwanda</i>	177
<i>Liberia</i>	38
Governance of the charity	6
	<b>246</b>

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

	2009 Number
Costs of generating funds	0.5
Charitable activities	
<i>Rwanda</i>	3.2
<i>Liberia</i>	0.6
Governance of the charity	0.1
	<b>4.4</b>

As of 31 December 2009, AGI had 12 employees, and 4 secondees. In addition, the 5 employees and a secondee working on the Sierra Leone project transferred to the charity on 1 January 2010 (see Note 17).

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the period was Nil.

### 8 Trustees' remuneration

None of the Trustees received any remuneration in respect of their services during the period, or received reimbursement of out of pocket travelling expenses or had expenses paid by the charity on their behalf.

### 9 Taxation

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

## Notes to the financial statements - 31 December 2009

The charity is unable to reclaim VAT suffered on expenditure. Irrecoverable VAT suffered during the year amounted to £6,000

### 10 Tangible fixed assets

	IT and telecom- munications £000
<b>Cost</b>	
Additions	15
At 31 December 2009	15
<b>Depreciation</b>	
Charge for period	1
At 31 December 2009	1
<b>Net book values</b>	
At 31 December 2009	14

### 11 Debtors

	2009 £000
Due within one year	
Prepayments and accrued income	30

### 12 Creditors amounts falling due within one year

	2009 £000
Trade creditors	19
Accruals and deferred income	118
	137

### 13 Restricted funds

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

	Incoming resources £000	Resources expended £000	At 31 December 2009 £000
Rwanda	551	(287)	264
Liberia	79	(65)	14
Sierra Leone	768	-	768
	1,398	(352)	1,046

## Notes to the financial statements - 31 December 2009

These funds, raised in advance, will be spent on the planned activities of the charity during 2010, and may only be used for projects to be undertaken in the country designated in the relevant grant agreement

As stated elsewhere in the Trustees' report, the Sierra Leone project was undertaken by the Office of Tony Blair during the reporting period. Funding received by AGI in 2009 is for the purposes of the second phase of the work in Sierra Leone, launched in January 2010 by the charity

### 14 Analysis of net assets between funds

	Restricted funds £000	Unrestricted funds £000	At 31 December Total funds 2009 £000
<b>Fund balances at 31 December 2009 are represented by</b>			
Tangible fixed assets	7	7	14
Net current assets	1,039	465	1,504
<b>Total net assets</b>	<b>1,046</b>	<b>472</b>	<b>1,518</b>

### 15 Connected entities

The Tony Blair Governance Initiative – US is an independent charitable entity governed by its Board of Trustees. Its mission and objectives are similar to those of the charity.

There were no transactions between the charity and the Tony Blair Governance Initiative – US, and consequently there were no amounts owed between the entities as at 31 December 2009.

Legal and professional fees amounting to £4,257 were charged by Bircham Dyson Bell LLP, of which Stephen Lewin is a partner.

### 16 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

### 17 Transfer of undertakings and assets

On 1 January 2010 Windrush Ventures Limited transferred the undertakings and assets of certain not-for-profit activities in relation to the charity for £nil consideration.