

# **The Tony Blair Governance Initiative**

**Annual Report and Financial Statements**

**31 December 2015**

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 Tunde Olanrewaju
<b>Company secretary</b>	Broadway Secretaries Limited
<b>Chief Executive</b>	Nick Thompson
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<b>Company registration number</b>	6779669 (England and Wales)
<b>Charity registration number</b>	1132422
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds TSB Bank Plc High Holborn Branch PO BOX 1000 BX1 1LT
<b>Solicitors</b>	Bircham Dyson Bell LLP 50 Broadway London SW1H 0BL

## Trustees' Report – Year to 31 December 2015

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 year ended 31 December 2015. At the time of publication, in September 2016, the organisation is going through a period of change which we highlight here and will report on separately.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 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 therein and comply with the charitable company's memorandum and articles of association, applicable laws, UK Accounting Standards and the requirements of Accounting and Reporting by Charities' Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

### 1. INTRODUCTION

AGI's mission is to make government work for the world's poorest people. We do this by supporting effective governance: working with African leaders to build the capacity of their governments to implement the programmes and reforms they need to develop their countries, reduce poverty and improve standards of living.

#### **AGI 2015 Achievements at a glance**

- AGI's teams continued to work on the Ebola response in West Africa. AGI was recognised for 'Big Impact' at the UK Third Sector Awards. AGI staff received awards from the UK and Sierra Leonean Governments for their work
- AGI teams contributed to breakthrough energy projects including Kaleta Dam in Guinea and Rwamagana Solar Power Plant in Kigali
- AGI to establish the Development Bank of Nigeria which will provide loans to over 200,000 small and medium size businesses in the country

2015 was a year of success and consolidation across the organisation. We celebrated with our counterparts in West Africa as they were able to declare zero Ebola cases and supported them in planning for the recovery; we committed to the plans for economic growth and job creation in Rwanda and Ethiopia; and we took root in new partnerships in Kenya and Mozambique as well as with the new administration in Nigeria under President Buhari's leadership.

In addition AGI received recognition for its role in the Ebola crisis response, being specially commended for 'Big Impact' at the UK's Third Sector Awards. We are immensely proud of the AGI staff who were awarded medals for their efforts by the British and Sierra Leonean Governments, and our colleague Victoria Parkinson who was awarded an OBE for her work in Freetown.

We have also expanded our work through Power Africa, with advisors in Nigeria, Sierra Leone and Rwanda whose strategic support to partner governments is contributing to efforts to establish 60 million new electricity connections across the continent.

This report describes AGI's work in 2015, what we have achieved and the impact this will have on the lives of some of the world's poorest people. We look ahead too to our plans for 2016 and beyond as we look to take our success to date to the next level.

#### **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.

#### **1.1 Effective governance is gaining ground**

In previous Annual Reports we have set out the case for AGI's focus on effective governance – the ability of governments to turn vision into action and outcomes. This is AGI's focus for three reasons:

- The **direct impact** of successfully implemented government programmes on citizens' lives, especially the poorest;
- The need to **build the resilience and legitimacy of fragile and post-conflict states**, because governments' ability to deliver public services is a cornerstone of democracy alongside free and fair elections; and
- The need to build **country ownership**, where governments set and deliver, and are held to account for, their own priorities.

These reasons still hold. In 2015 effective government remains a critical driver of development where it exists and of instability where it doesn't. Effective government can be the difference between stagnation and innovation on delivering services and reducing poverty in 21<sup>st</sup> Century Africa and beyond.

### **Why effective governance matters**

*"If countries across Africa are to achieve inclusive economic growth on this basis, another shibboleth must be confronted: the one which decrees that for economies to prosper and grow, governments must get out of the way of business. On the contrary, governments must lead the way, with a firm hand on the wheel and by setting policy that creates an enabling environment for market-based growth that creates jobs."*

Kingsley Moghalu, former deputy governor, Nigerian central bank, Financial Times

### **1.2 Our Approach**

Effective governance is the ability to turn goals and a vision into policies and programmes that can be implemented, leading to better outcomes for the people a government serves. There is no 'off-the-shelf' model of effective governance; there is only what works in the particular circumstances of a given country at a given point in its history<sup>1</sup>. Our role is to work alongside our partner governments to develop systems and solutions that work for their specific circumstances and ultimately improve the lives of the world's poorest people.

This means that each of AGI's programmes is unique and tailored to the needs of our partner governments. However, we continue to focus on the three core functions that need to work for the implementation of government programmes to succeed: prioritisation; planning; and performance management. We have found that they are necessary for the implementation of policies and programmes to be effective – in the countries we partner with in Africa, but also around the world. They require effective institutional resilience and a professional capacity to deliver to make them work.

AGI supports governments to build their capacity to carry out these functions by embedding teams of skilled staff within our partner governments. Our staff, recruited from the best of the international public and private sectors, work shoulder-to-shoulder with local leaders and public servants to develop the capacity of institutions at the centre of government.

This work is complemented by the support of AGI's Patron, the Right Honourable Tony Blair, who works on a *pro bono* basis with the government's political leadership to advise on the

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<sup>1</sup> Booth, D (2011) 'Governance for Development in Africa', *APP Policy Brief 1*

challenges of leading reform, regularly visiting each country and meeting with the leaders on AGI's behalf.

### **1.3 Where we work**

AGI currently works in 8 countries across East and West Africa. The countries AGI works in are selected according to criteria agreed by its Trustees. First, we only work in the world's poorest countries, or in countries where there are deep pockets of absolute poverty. In many of these countries across Sub-Saharan Africa, poverty results from years of conflict. Effective governance is a prerequisite for ensuring that such countries escape from the conflict trap<sup>2</sup> and are able to establish state and democratic legitimacy. Second, we only work with governments that are committed to reducing poverty through reform, and where there is strong demand for our support. Third, we will only undertake projects where our intervention complements existing development and technical assistance and can be carried out in a politically neutral manner: we do not engage in party politics or electioneering in any way and we support the development of institutions and systems that will outlive individual leaders.

2015 was a year of strengthening and consolidation for AGI after both growth into new countries and coping with the impact of the Ebola crisis in 2014. We continued and strengthened our projects in Sierra Leone, Guinea and Liberia as those countries focussed on the post-Ebola recovery. We developed new strategies in Rwanda and Ethiopia, focussed in both cases on the government's plans for economic development and job creation. We established new projects in Kenya and Mozambique, and we also strengthened our work in partnership with USAID's Power Africa programme. And we strengthened our central capacity for fundraising and operational support in our headquarters in London to provide the backbone to our future development.

### **1.4 How we evaluate our work**

The Trustees remain committed to combining thorough internal monitoring with independent external evaluation of AGI's work in order to stimulate learning across the organisation. Investing in learning and assessment in this way enables us continually to improve our effectiveness and to demonstrate the impact of our programmes to our partner governments, to our funders, and to the people of the countries we are working with.

AGI's independent evaluation partner, Agulhas Applied Knowledge, conducted evaluations of five AGI programmes in 2015: in Sierra Leone, Rwanda, Nigeria, Liberia and Guinea. In addition they conducted a cross-country analysis of our work in Liberia, Sierra Leone and Guinea to assess AGI's impact on and during the Ebola crisis. The evaluators' reports drew on private interviews with the Government officials and Ministers whom AGI works with and with other in-country actors and stakeholders, alongside a review of documentary evidence. The opportunity that the evaluations thus offer for feedback from our government counterparts

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<sup>2</sup> Collier, P (2003) 'Breaking the conflict trap', *Civil War and Development Policy Volume 1*

and for the testing and validation of our theories of change and impact is invaluable, and has again this year helped us identify a range of useful insights applicable across all of AGI's work.

#### **Comments from external evaluation reports during 2015**

*"AGI has made a significant contribution to strengthening the national planning process... The planning team... is clearly more capable and confident"*

Report of the independent evaluation of AGI's Rwanda programme, Agulhas Applied Knowledge, 2015

*"AGI has had an extraordinary impact as part of the Ebola response in Sierra Leone. AGI staff have demonstrated leadership and innovation across a wide range of the response mechanisms and modelled consistent support for Government as it sought to address the epidemic... The Ebola crisis demonstrated the relevance of AGI skills and values in a very different context from the normal programmes."*

Report of the independent evaluation of AGI's Sierra Leone programme, Agulhas Applied Knowledge, 2015

*"AGI's interventions on Ebola were the most extraordinary success... In Sierra Leone and Liberia it is no exaggeration to say that AGI was central to the countries' ability to overcome Ebola. That is remarkable not least because AGI played different roles in the two countries – more operational in Sierra Leone, more strategic and supportive in Liberia. It is all the more extraordinary given the small number of AGI staff involved, and AGI's lack of experience in public health."*

Report of the independent evaluation of AGI's work on Ebola in Sierra Leone, Liberia and Guinea, Agulhas Applied Knowledge, 2015

## **2. ACTIVITIES AND ACHIEVEMENTS**

Our main aim in 2015 was to consolidate and strengthen our impact through the governance programmes in Africa and to prepare the organisation for future growth and development. A particular focus in this light was to support the eradication of and then recovery from Ebola in West Africa as well as taking root in the strategic economies of Kenya, Ethiopia and Nigeria. We continued to deliver on our charitable objects in two ways:

1. **Delivering impact through our projects** to increase the capacity of governments to deliver development programmes, reducing poverty and improving living standards (Section 2.1). This remains the primary focus and purpose of the organisation.
2. **Influencing the debate on effective governance** to build understanding of the importance of effective governance and how to develop it in practice (Section 2.2) and in order to support long term improvements in the application of technical assistance by development partners and institutions.

## 2.1 Delivering impact through our projects

AGI maintained a strong record of impact in our partner countries in 2015. Highlights include:

In **Sierra Leone** we supported the government to create and run its central 'nerve centre' for the Ebola response to help the government to deliver a coordinated response and manage the crisis. This was known as the National Ebola Response Centre (NERC), which developed, communicated and implemented a nationwide strategy for eradicating Ebola across all affected districts and coordinated necessary resources accordingly. This helped Sierra Leone to reduce case numbers from approximately 60 cases per week in March 2015 to approximately 10 per week in July 2015 and finally to an official zero by November 2015. Our role supporting the work of the NERC led to several members of the Sierra Leone team being recognised for their role in ending Ebola and receiving special medals from HM Queen Elizabeth II and President Ernest bai Koroma. We also worked with the government to begin developing economic recovery plans that will address the twin shocks generated by Ebola and the collapse in commodity prices that has hit the country's growth rates.

In **Liberia** through the national-level response to Ebola, we recognised the importance of also providing support to the district level. In Liberia, most cases were concentrated in Montserrado Country, which contains the capital Monrovia, and we therefore prioritised support to the Montserrado Incident Management System, which managed the response in this area. This crucial intervention contributed to the earlier-than-expected end of the outbreak in Liberia. The team in Liberia also helped secure funds to continue Liberia's teacher payroll cleansing exercise, it helped keep the rehabilitation of Liberia's main hydroelectricity plant on track by securing additional funding needed due to the Ebola crisis, it helped complete Liberia's first Heavy Fuel Oil electricity plant, it secured funding for the construction of a major primary road to the north of the country, and it helped secure financing for Liberia's agro-input network and for the rehabilitation of the cocoa and fisheries sectors.

In **Guinea**, we assisted the Government's Ebola response by focusing our support on the districts around the capital, Conakry, where the disease was lingering the longest. By taking this approach, we were able to help the Government bring the outbreak to an end by December 2015. We also worked with the National Response Cell to improve epidemiological surveillance of cases by establishing stronger systems of coordination and organisation, in one example resulting in a 700% increase in the number of safe burials in Conakry between late March and June 2015. Alongside this our team continued to work with Government partners on the Kaleta Dam project. The dam will double the national energy supply.

In **Rwanda** our team continued to support the Strategic Capacity Building Initiative (SCBI). In the second half of the year the Patron visited a new 8.5MW solar power plant in Rwamagana

which will provide enough electricity for 12,000 households across the country. We also refocused our work to support the Government's economic growth strategy by identifying ways to boost the country's exports with a likely future focus on the development of strategic sectors for job creation such as ICT, manufacturing and floriculture.

In **Nigeria** our team has continued to work to establish the Development Bank of Nigeria (DBN) which aims to provide loans and start-up capital to 200,000 small and medium sized businesses. The DBN has now been established following the start of President Buhari's administration, and we are working with the new Ministerial team to devise a programme of support from 2016-19.

In **Ethiopia** our project has grown quickly as we have focussed support on Government's Growth and Transformation plans with a view to supporting job creation and industrialisation and creating a more attractive investment environment, including improving the country's 'Doing Business' ranking in future World Bank reports. This has included support to the flagship projects like the new Industrial Park at Bole Lemi, which aims to create tens of thousands of new jobs, and the team is preparing to support the Government's second Growth and Transformation plan in 2016 and beyond.

**Through Power Africa we have been able to support the development of the power sector in 3 countries:**

- in Nigeria, as part of our support to improving integrated planning, we helped to produce the Energy Blueprint in the Vice-President's office which provided a critical priority mapping of the specific parts of the value chain requiring government intervention. The Blueprint sets out a strategy for doubling generation capacity from 3,600MW - when President Buhari was elected in April 2015 – to 7,000MW.
- in Rwanda, we have been working with colleagues from the Ministry of Infrastructure (MININFRA) to put together and achieve government buy-in for Rwanda's next-stage Rural Electrification Strategy, which aims to boost access from 24% to 70% in 2018 - providing access to energy for 880,000 households by the end of 2017/18.
- in Sierra Leone we've supported a set of sector reforms to progress a catalytic project - delivered by an independent power producer, IPP, the first of its kind in Sierra Leone - which will add 60% generation capacity to the grid and create opportunities for private sector investment in the future.

Finally, we established new partnerships with the Governments of Kenya and Mozambique. In Kenya our work focussed on the establishment of a new Presidential Delivery Unit, which is now operational under the mandate of the Deputy Chief of Staff; and in Mozambique we have been working with the President and his team on defining his medium term policy priorities.

## **2.2 Influencing the debate on effective governance**

Aside from our programmes AGI also works to influence the debate on effective governance at two levels: publicly by raising the profile of effective government as a goal within the wider

debate about good governance and other development issues; and at a practical level by demonstrating how best to support effective governance. In 2015 we had successes at both levels.

### ***Raising the profile of effective government***

We have continued to promote effective government as an important issue throughout 2015 in line with our charitable objects.

In July we published our most substantial report to date 'State of Emergency: how government fought Ebola', which drew together a series of lessons from across our West African projects. The report highlighted the critical role of governments in the Ebola response and set out how the international community can better accommodate and leverage the unique position of government in dealing with future crises. The lessons from the report were covered by Voice of America news and shared with the leaders of major international development organisations.

We are actively supported in this work by AGI's Patron, the Rt Hon Tony Blair. He attended a number of high profile events on AGI's behalf in 2015, including speeches at the Global Philanthropy Forum and Georgetown University; and in September 2015 he highlighted the importance of effective government to securing progress on the ambitious new global development agenda as captured in the UN's new set of Sustainable Development Goals.

### ***Demonstrating how to support effective governance***

Finally, we have continued to play a role in the 'Doing Development Differently' movement, led by leading development thinkers at e.g. the Harvard Kennedy School of Government and the Overseas Development Institute in the UK. This movement seeks to collate examples of innovative development programmes and persuade more development actors to behave in a manner that recognises the role of government and national contexts in shaping development outcomes. Our work in Liberia was highlighted in an article published by the Harvard Business Review and AGI staff spoke at the Overseas Development Institute on issues including infrastructure and policy reform in fragile states.

## **3. ORGANISATIONAL DEVELOPMENT**

### **3.1 People and Development**

AGI continues to focus on ensuring we attract and retain the best talent possible to the organisation. The key pillars of our people strategy aim to ensure that:

- We bring in the right people at the right time to best support our partner governments;
- We continue to invest in the personal and professional development of all of our staff;

We continue to build a strong leadership pipeline so as to provide for succession planning and organisational resilience.

Last year saw the organisation's recruitment function make great strides, including the set-up of a full team in Mozambique and the initial phase of our newest project in Kenya. This has given the organisation a good foundation to be able to put in plans for further growth and in particular to create further opportunities to attract the best talent within the diaspora and local national communities. We will be making a further investment into our people function and capability over 2016.

We are also delighted this year to have launched an AGI Fellowship scheme with our partners at the Blavatnik School of Government, which puts in place financial support for African students to undertake the Master of Public Policy (MPP) at the Blavatnik School of Government and an opportunity to apply to complete a summer placement with the Africa Governance Initiative. The partnership is aligned with AGI's mission to support effective government in Africa and the values that underpin that mission and the Scholarship is built on the Schools' already deep and growing commitment to Africa.

We are also growing AGI's profile as an employer offering interesting and rewarding career opportunities by continuing to provide students at leading graduate schools summer internships in our country projects and in London. In 2015, we offered three internships to students from the Harvard Kennedy School of Government and the Blavatnik School of Government at Oxford University who joined our Rwanda, Liberia and London teams. We also had interns joining us from their sabbatical year at larger organisations like Accenture to offer their support and expertise in the field of innovative technology, one of the key priorities for the Rwandan government in the coming years.

### **3.2 Insight and Learning**

AGI's Insight and Learning programme aims to improve our support to governments and to promote effective practice in the international development community. In 2015, our major priority was researching and writing "State of Emergency", our report on lessons from the Ebola crisis, drawing from our first-hand experience working in the three affected countries during the crisis. The report focused both on lessons for governments and for the international community on how to respond more effectively to future crises. The report was read at top levels of the development and humanitarian industry, sparking useful debate about how things can be done differently in the future.

In 2015 we also worked with leading academics from the Developmental Leadership Programme (DLP) at Manchester University on a research project to understand staff networks within AGI, including how we interact and share knowledge across the organization. The aim is to help us improve the flow of information throughout AGI to make us more effective at sharing good practices and learning across projects and with our partner governments. The analysis, which is being completed in 2016, has already produced helpful insights about how AGI can improve its knowledge sharing.

### 3.3 Funding our work

AGI depends on the generous support of our donors to keep pursuing our mission of improving government effectiveness to reduce poverty. In 2015 we received support from some of the world's leading development and philanthropic organisations including the United States Agency for International Development, the Bill & Melinda Gates Foundation, the Open Society Foundations, the Swedish Postcode Foundation, the Howard G Buffett Foundation, and the Patrice and Precious Motsepe Foundation. We thank all of our donors for their support, and especially those whose flexibility enabled us to pivot our work in West Africa to support the Ebola response and recovery.

## 4. FUTURE PLANS

As we enter our eighth year the Trustees and Executive team are considering our future in 2016 and beyond in two ways.

The first and primary priority remains the continued delivery of support to and impact in our partner countries, with a view to improving government capacity and contributing to the reduction of poverty. We will continue to work with our partners in Sierra Leone, Liberia and Guinea to focus on economic recovery from the twin shocks of Ebola and the collapse in global commodity prices. In East Africa we will support the efforts of our partner governments to shape the future of their economies through exports and manufacturing.

Specifically we will:

In **Sierra Leone**, support the President's delivery team to develop detailed and trackable activity plans across 7 priority sectors including health, education, private sector development, water, energy and governance.

In **Liberia**, work with the government to generate inclusive growth strategies for the economy working specifically on improving infrastructure, job creation and diversification of the economy.

In **Guinea**, remain focussed on the development of the energy sector as the government seeks to develop the Souapiti hydroelectric dam, and work with the new administration under President Conde's leadership to develop a wider programme of support.

In **Rwanda**, grow our team so that it can work effectively alongside the government to develop new exports including a specific focus on the ICT sector which will be at the forefront of the World Economic Forum's Africa meetings in Kigali in May.

In **Ethiopia**, continue to focus on supporting the government's efforts to create jobs through foreign investment and industrialisation. In addition we will work at the centre of government to support the rollout of the second Growth and Transformation plan.

In **Nigeria**, continue to support the Development Bank of Nigeria which should unlock access to finance for a large number of small businesses, as well as develop a new programme with President Buhari's team.

In **Kenya** and **Mozambique** we will look to broaden the scope of our current projects in line with the Government's priorities and our charitable objects.

Finally, in line with **Power Africa's** wider expansion across Sub-Saharan Africa, throughout 2016 we will be broadening the scope of our programme to provide our support to a greater number of countries across the continent, while continuing to provide support in the above areas to our three main focus countries.

As referenced in the post balance sheet event note The Board of Trustees is currently reviewing the future strategic direction of the charity to maximise the effective delivery of the charitable objectives for which it was established. It is possible that the outcome of the review may result in the transition of its operations in their current form during the course of the next financial year (2017) to a successor organisation, subject to regulatory review.

## **5. PUBLIC BENEFIT**

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and aims and in planning future activities.

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

- Focussed on advancing the quality of public administration to deliver sustainable development and achieve poverty reduction;
- Educational; and
- Available to partner governments in some of the poorest countries in the world, and to the public more broadly through the charity's website.

The ultimate beneficiaries of the charity's work are the public in Rwanda, Liberia, Sierra Leone, Nigeria, Guinea, Kenya, Mozambique and Ethiopia – though the Trustees believe there is a benefit to the public in the UK, and internationally, from poverty reduction in Africa and the development of more effective strategies and approaches to capacity development and effective governance.

## 6. STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governance

The Tony Blair Governance Initiative is a company limited by guarantee (Company No 6779669), and operates 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 members entitled to attend and vote at any meeting of the members. The full Board of Trustees as of 31 December 2015 and throughout the year were;

*Elizabeth Ann-Lloy*

*Appointed 20 February 2009*

*Stephen Richard Lewin*

*Appointed 20 February 2009*

*Rt. Hon. Hilary Armstrong*

*Appointed 20 February 2009*

*'Tunde Olanrewaju*

*Appointed 30 October 2012*

### Patron's role

AGI is grateful for the continued support of its Patron the Rt. Hon. Tony Blair. The Patron 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 AGI partner governments in Africa. The Patron also generally promotes the charity and its activities, taking a significant role in fundraising for the charity, in addition to being a significant personal donor to AGI.

The Patron does not direct the charity's activities and the Trustees and the Patron have agreed a memorandum to confirm the regulations governing the relationship between AGI and the Patron. The Patron undertakes his role on a *pro bono* basis.

### **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 charitable company and of the income and expenditure of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities' Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that he/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 charitable company's auditor is aware of that information.

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

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

## **Chief Executive Officer and Management structure**

A CEO 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.

The CEO heads AGI's Senior Management and Management Teams. The former comprises the Chief Operating Officer, the Director of Strategy and Development, and Managing Director. The wider Management Team also includes the Country Heads who run the Africa programmes. The Trustees have agreed appropriate levels of authority and delegation within the Senior Management and Management Teams to effectively lead the organisation and the work in Africa. There is regular communication between the CEO, the Senior/Management Teams, and the Trustees.

The key management personnel of the charity are the Trustees and the Senior Management Team. The remuneration of the Senior Management Team is set by the biannual salary review carried out by the board in 2014. The salaries were set at a rate as reasonable comparable with other NGOs.

Meetings of the Board of Trustees are held approximately quarterly, informed as necessary by recommendations from the CEO. In 2015 the Trustees met four times, in March, July, October, and December.

All trustees are given an induction programme and are offered opportunities for appropriate training.

## **Risk Management**

Each AGI programme maintains a risk register which is reported on quarterly. In addition, the Senior Management Team maintains oversight of organisational and corporate risks. The major risks are highlighted to the Board of Trustees at each meeting, and can be categorised as follows:

### *Security and Personnel*

AGI works in fragile and challenging environments and therefore injury or illness to members of staff, road traffic accidents, risk of deterioration in the security situation and national emergencies all remain real risks. AGI has standard operating procedures in place in each programme, and provides comprehensive insurance as well as the necessary training to staff; and regularly reviews security procedures and risks. In 2015, AGI entered into a new consultancy contract with International Location Safety (ILS) to provide the organisation with security risk management services. Following discussions with ILS AGI began implementing a new security management framework which will be rolled out in 2016.

### *Sustainable delivery*

AGI works in low-capacity, political environments which present an ongoing challenge of building sustainable capacity that will significantly outlast our involvement with our partner governments. The investment AGI makes in internal review and external evaluation of our work allows us to learn from both successes and challenges in developing institutional capacity and fostering cultures of delivery. Through this process of review and learning, together with a tailored approach to the design and management of projects in the complex environments most liable to experience change, we are able to manage and mitigate this risk.

### *Funding*

AGI is reliant on the generous support of our funders, and our budget has inevitably grown with our activities. We continue to target both restricted donations but also donations to our unrestricted Rapid Action Fund. We are delighted that several new philanthropic leaders in the UK, US and Africa have made commitments to the fund.

### *Staffing and succession planning*

AGI's model centres on the people we recruit to work shoulder-to-shoulder with counterparts in governments. We are therefore very dependent on being able to both attract and retain the high-quality staff that enable us to do our work. To this end, over the next year, AGI is moving forward with its people strategy focused on enhancing both recruitment outreach and professional development for current staff. We also undertake structured discussions and planning around succession for key posts in-country and at the Senior Management level and launched a recruitment for a new Director of Development and External Relations.

### *Reputational*

AGI works in countries whose trajectory towards socio-economic and political development is not always straight or predictable. Moreover, we recognise the high profile of our Patron and the associated attention paid to the charity. As such there is a risk of damage arising from the actions of the charity or its employees, or the actions of partner governments, or partner organisations. The Trustees regularly hold discussions about political and economic developments in our partner countries, and determine appropriate interventions or restrictions accordingly.

### *Compliance*

AGI works across a number of geographies in complex environments, and as such has developed robust systems to ensure compliance with our charitable objects and other relevant laws and regulations, including e.g. the Bribery Act and avoiding any perceived or real conflict of interest.

Overall, 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 in order to reduce such risks to a level which the Trustees consider to be acceptable. The Trustees are

satisfied that where risks have been identified, the appropriate mitigating actions are in place. 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. In 2015, the charity received a small amount of interest.

The investment strategy is set and periodically reviewed by the Trustees and takes into account income requirements, the investment risk profile and future expenditure commitments. Given the significant cash balances that AGI holds, in 2015 the Trustees agreed that these funds should be invested to increase the returns received by AGI. During 2015 AGI contracted with Asset Risk Consultants (ARC) to provide independent advice reviewing the investment policy, and to support us through the investment management process. This resulted in AGI selecting Kleinwort Benson as our investment managers and AGI is in the process of opening an account with them.

### **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 and grantors to receive funding to cover the anticipated costs of the project prior to commencing work. Over the last year we have also grown our unrestricted funds to allow AGI to meet the demand to explore programmes in new African countries as well as support existing programmes where necessary through the designated 'Rapid Action Fund'.

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 remain at approximately three months of expenditure, plus a set amount for contingency, to meet the future costs of the charity.

The Trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income 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 while specific action plans are implemented.

## Financial review

### *Results for the period*

A summary of the income and expenditure for the period can be found below.

Overall income for 2015 was £5,685k, an increase of £323k (6%) from 2014 (£5,362k). The increase was accounted for by a rise in restricted funds of £494k from £2,740k to £3,234k, partially offset by a drop in unrestricted funds of £171k from £2,622k to £2,451k. This reflects the continued delivery of our philanthropic fundraising strategy and continued support from our long term partnerships. Total expenditure increased by £1,561k to £6,499k; of this total, 96% (93%: 2014) of expenditure related to AGI's charitable activities. This increase has been mainly driven by the expanding size of our country programmes in particular in Ethiopia and Liberia where expenditure has risen by £487k (208 %) and £325k (47%) respectively.

### **Going Concern**

Having reviewed the financial situation of the charity the Board of Trustees has concluded that it is appropriate to use the going concern assumption in preparing these financial statements.

The Board of Trustees is of the opinion that the charity would be able to pay its debts as they fall due, were it to transfer its activities in their current form to a successor organisation within a period shorter than one year from the date on which these financial statements were approved.

### **Financial position**

The charity's balance sheet shows total funds of £1,875k (£2,598k: 2014).

These funds do not include any restricted reserves due to the new treatment of income recognition rules under FRS102 SORP which has resulted in £132k being deferred to 2016. Full details of these restricted funds movements by project can be found in note 12 to the financial statements.

The balance sheet shows total unrestricted funds of £1,875k (£2,491k in 2014). Of this, £1,837k has been designated as the 'Rapid Action Fund', full details of which can be found in note 13 to the financial statements.

The large cash balance along with the unrestricted funds mentioned above represent funds raised in advance which will be used on the planned activities of the charity during 2016, as outlined in this report.

**Approved by the Trustees and signed on their behalf by:**

Trustee: E. A. Lloyd 26-9-16

Elizabeth Ann Lloyd

Date:

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

We have audited the financial statements of The Tony Blair Governance Initiative for the year ended 31 December 2015; which comprises of statement of financial activities, balance sheet, statement of cash flows, principal accounting policies and related notes. The financial reporting framework has been prepared in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standards applicable in the UK and the Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of trustees and auditor***

The trustees are also the directors of the charitable company for the purposes of company law. As detailed in the statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees are responsible for the preparation of the financial statements and for ensuring that they give a true and fair view of the state of affairs of the charitable company.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Trustees Report has been prepared in accordance with applicable legal requirements. Also, in our opinion, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' Report.

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

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

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



Edward Finch, Senior Statutory Auditor

28 September 2016

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

**Statement of Financial Activities - Year to 31 December 2015**  
(including income and expenditure account)

	Notes	Unrestricted funds £000	Restricted funds £000	2015 Total funds £000	2014 Total funds £000
<b>Income and expenditure</b>					
<b>Income from:</b>					
Donations and grants	1	2,437	2,154	4,591	4,339
Charitable activities		0	1,080	1,080	1,010
Interest receivable		6	0	6	9
		<u>2,443</u>	<u>3,234</u>	<u>5,677</u>	<u>5,358</u>
Other income		8	0	8	4
<b>Total income</b>		<u>2,451</u>	<u>3,234</u>	<u>5,685</u>	<u>5,362</u>
<b>Expenditure on:</b>					
Raising funds	2	277	0	277	312
Charitable activities	3, 4, 7, 8, 13				
Enhancing governance projects		2,429	2,958	5,387	3,832
New and emerging projects		241	152	393	475
Insight, learning and knowledge sharing projects		195	247	442	319
		<u>3,142</u>	<u>3,357</u>	<u>6,499</u>	<u>4,938</u>
<b>Total expenditure</b>		<u>3,142</u>	<u>3,357</u>	<u>6,499</u>	<u>4,938</u>
Unrealised foreign exchange gain		75	16	91	199
Net (expenditure)/income and net movement in funds for the year		<u>(616)</u>	<u>(107)</u>	<u>(723)</u>	<u>623</u>
<b>Reconciliation of funds</b>					
Fund Balances brought forward at 1 January 2014		2,491	107	2,598	1,975
Fund Balances carried forward at 31 December 2015		<u>1,875</u>	<u>0</u>	<u>1,875</u>	<u>2,598</u>

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 continuing operations during the years indicated.

All expenditure on raising funds in 2014 was unrestricted.

# Balance Sheet - 31 December 2015

	Notes	£000	2015 £000	2014 £000
<b>Fixed assets</b>				
Tangible assets	9		298	122
<b>Current assets</b>				
Debtors	10	1,275		2,332
Cash at bank and in hand		<u>5,690</u>		<u>7,538</u>
		6,965		9,870
<b>Creditors: amounts falling due within one year</b>	11	<u>(5,388)</u>		<u>(7,394)</u>
<b>Net current assets</b>			1,577	2,476
<b>Total net assets</b>			<u>1,875</u>	<u>2,598</u>

## Represented by:

### The funds of the charity

#### Income funds:

- Restricted funds	12		0	107
- Unrestricted funds:				
- Designated fund ( Rapid Action Fund )	13	1,837		1,805
- General funds		38		686
<b>Total charitable funds</b>	14	<u>1,875</u>		<u>2,598</u>

Company registration number : 06779669

Approved by the Trustees and signed on their behalf by :

Trustee: E. A. Lloyd ELIZABETH ANN LLOYD

Approved on: 26-9-16

# Statement of Cashflows - Year to 31 December 2015

	2015 Total funds £'000	2014 Total funds £'000	Note
<b>Cash flows from operating activities:</b>			
Net cash (used in) provided by operating activities	(1,584)	5,241	(Table A below)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments	6	9	
Purchase of fixed assets	(273)	(112)	
Proceeds from sale of fixed assets	3	6	
Net cash used in investing activities	(264)	(97)	
Change in cash and cash equivalents in the reporting period	(1,848)	5,144	
Cash and cash equivalents at the beginning of the reporting period	7,538	2,394	(Table B below)
Cash and cash equivalents at the end of the reporting period	5,690	7,538	(Table B below)

	2015 Total funds £'000	2014 Total funds £'000
Table A: Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds for the reporting period (as per the statement of financial activities)	(723)	623
Adjustments for:		
Depreciation charges	94	41
Dividends, interest and rents from investments	(6)	(9)
Decrease/(increase) in debtors	1,057	(1,506)
(Decrease)/increase in creditors	(2,006)	6,092
Net cash (used in) provided by operating activities	(1,584)	5,241

	2015 Total funds £'000	2014 Total funds £'000
Table B: Analysis of cash and cash equivalents		
Cash in hand	5,690	7,538
Total cash and cash equivalents	5,690	7,538

## **Principal Accounting Policies - Year to 31 December 2015**

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

These financial statements have been prepared for the year to 31 December 2015.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The date of transition to Charities SORP FRS 102 was 1 January 2014. The end of the accounting reference date in respect to the charity's last annual financial statements determined in accordance with the previous financial reporting framework was 31 December 2014. This is the first set of the charity's financial statements prepared in accordance with the Charities SORP FRS 102.

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

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

### ***Income***

Income is 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 income and expenditure in respect of these gifts in kind is an estimate of the amounts which would have been paid by the charity.

### ***Expenditure 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.

Expenditure comprises the following:

- a. The costs of raising 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.

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:

Computer & IT Equipment	3 years
Plant & Machinery	5 years
Motor Vehicles	5 years

### ***Debtors***

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

## **Principal Accounting Policies continued - Year to 31 December 2015**

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

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### ***Creditors and provisions***

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

### ***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.

Within total unrestricted funds of the charity the Trustees have designated amounts for specific purposes.

### ***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.

### ***Reconciliation with previous Generally Accepted Accounting Practice***

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. Other than presentational adjustments to reanalyse expenditure for the year ended 31 December 2014 to accord with the format prescribed in the Charities SORP FRS 102, no further restatements were required. Specifically, governance costs which were previously reported as a separate line of expenditure within the statement of financial activities are now allocated to expenditure on charitable activities.

### ***Assessment of going concern***

The Board of Trustees has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

Having reviewed the financial situation of the charity the Board of Trustees has concluded that it is appropriate to use the going concern assumption in preparing these financial statements.

The Board of Trustees is of the opinion that the charity would be able to pay its debts as they fall due, were it to transfer its activities in their current form to a successor organisation within a period shorter than one year from the date on which these financial statements were approved.

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

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

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

- “ estimating the recognition date of grant income;
- “ estimating the useful economic life of tangible fixed assets

### ***Leased assets***

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

### ***Pension contributions***

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 19. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

## 1 Donations and other income

	Unrestricted Funds £'000	Restricted Funds £'000	2015 Total Funds £'000
Income			
. Grants	0	2,154	2,154
. Donations	2,437	0	2,437
. Charitable activities	0	1,080	1,080
. Interest receivable	6	0	6
. Other income	8	0	8
<b>Total 2015</b>	<b>2,451</b>	<b>3,234</b>	<b>5,685</b>

Income			
. Grants	628	0	628
. Donations	1,981	1,730	3,711
. Charitable activities	0	1,010	1,010
. Interest receivable	9	0	9
. Other income	4	0	4
<b>Total 2014</b>	<b>2,622</b>	<b>2,740</b>	<b>5,362</b>

## 2 Raising funds

	Direct costs £000	Support costs ( note 4 ) £000	2015 Total Funds £'000	2014 Total Funds £'000
Cost of generating funds				
. Staff costs	92	2	94	119
. Premises costs	13	0	13	38
. Operational costs	128	2	130	118
	233	4	237	275
Governance costs	40	0	40	37
<b>Total 2015</b>	<b>273</b>	<b>4</b>	<b>277</b>	<b>312</b>
<b>Total 2014</b>	<b>307</b>	<b>5</b>	<b>312</b>	

## 3 Charitable activities

	Direct costs £000	Support costs ( note 4 ) £000	2015 Total funds £'000	2014 Total funds £'000
<i>Rwanda</i>				
. Staff costs	369	7	376	495
. Premises costs	4	1	5	45
. Operational costs	374	6	380	332
	747	14	761	872
<i>Sierra Leone</i>				
. Staff costs	606	11	617	515
. Premises costs	4	2	6	37
. Operational costs	640	9	649	465
	1,250	22	1,272	1,017
<i>Liberia</i>				
. Staff costs	512	9	521	378
. Premises costs	2	2	4	36
. Operational costs	490	8	498	284
	1,004	19	1,023	698
<i>Guinea</i>				
. Staff costs	258	6	264	213
. Premises costs	1	1	2	23
. Operational costs	275	5	280	143
	534	12	546	379
<i>Power Africa</i>				
. Staff costs	353	7	360	216
. Premises costs	12	1	13	14
. Operational costs	374	5	379	102
	739	13	752	332
<i>Nigeria</i>				
. Staff costs	112	2	114	118
. Premises costs	0	0	0	11
. Operational costs	196	2	198	171
	308	4	312	300
<i>Ethiopia</i>				
. Staff costs	305	7	312	137
. Premises costs	50	1	51	4
. Operational costs	352	6	358	93
	707	14	721	234
<i>Insight, learning and knowledge sharing</i>				
. Staff costs	225	5	230	199
. Premises costs	97	1	98	16
. Operational costs	110	4	114	104
	432	10	442	319
<i>New &amp; emerging projects</i>				
. Staff costs	145	3	148	272
. Premises costs	0	1	1	32
. Operational costs	241	3	244	171
	386	7	393	475
<b>Total</b>	<b>6,107</b>	<b>115</b>	<b>6,222</b>	<b>4,626</b>

### 3 Charitable activities (continued)

	2015	2015	2015	2014	2014	2014
	Unrestricted	Restricted	Total funds	Unrestricted	Restricted	Total funds
	£000	£000	£'000	£'000	£'000	£'000
<i>Rwanda</i>						
. Staff costs	133	243	376	73	422	495
. Premises costs	2	3	5	7	38	45
. Operational costs	134	246	380	49	283	332
	269	492	761	129	743	872
<i>Sierra Leone</i>						
. Staff costs	203	414	617	320	195	515
. Premises costs	2	4	6	23	14	37
. Operational costs	214	435	649	289	176	465
	419	853	1,272	632	385	1,017
<i>Liberia</i>						
. Staff costs	191	330	521	4	374	378
. Premises costs	2	3	5	0	36	36
. Operational costs	182	315	497	3	281	284
	375	648	1,023	7	691	698
<i>Guinea</i>						
. Staff costs	73	191	264	152	61	213
. Premises costs	1	1	2	16	7	23
. Operational costs	79	201	280	102	41	143
	153	393	546	270	109	379
<i>Power Africa</i>						
. Staff costs	86	274	360	(2)	218	216
. Premises costs	3	10	13	(0)	14	14
. Operational costs	91	288	379	(1)	103	102
	180	572	752	(3)	335	332
<i>Nigeria</i>						
. Staff costs	114	0	114	116	2	118
. Premises costs	0	0	0	11	0	11
. Operational costs	198	0	198	168	3	171
	312	0	312	295	5	300
<i>Ethiopia</i>						
. Staff costs	312	0	312	11	126	137
. Premises costs	51	0	51	0	4	4
. Operational costs	358	0	358	8	85	93
	721	0	721	19	215	234
<i>Insight, learning and knowledge sharing</i>						
. Staff costs	102	128	230	153	46	199
. Premises costs	43	55	98	12	4	16
. Operational costs	50	64	114	80	24	104
	195	247	442	245	74	319
<i>New &amp; emerging projects</i>						
. Staff costs	91	57	148	75	197	272
. Premises costs	0	0	0	9	23	32
. Operational costs	150	95	245	47	124	171
	241	152	393	131	344	475
<b>Total</b>	<b>2,865</b>	<b>3,357</b>	<b>6,222</b>	<b>1,725</b>	<b>2,901</b>	<b>4,626</b>

#### **4 Support costs**

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

	2015 £'000	2014 £'000
. Staff costs	59	33
. Premises costs	10	13
. Operational costs	50	47
	<u>119</u>	<u>93</u>

#### **5 Governance costs**

	2015 £'000	2014 £'000
. Auditor's remuneration	16	17
. Staff costs	24	20
	<u>40</u>	<u>37</u>

#### **6 Net movement in funds / net (expenditure) income**

This is stated after charging :

	2015 £'000	2014 £'000
. Staff costs	3,060	2,682
Auditor's remuneration		
. Statutory audit services	16	17
. Non audit services	0	3
Lease payments	78	43
Depreciation	94	41
<b>Total</b>	<u>3,248</u>	<u>2,786</u>

#### **7 Employees and staff costs**

AGI's staff are its greatest asset and the foundation for fulfilling the charity's objectives in Africa. Staff costs during the year were as follows:

	2015 £'000	2014 £'000
Employees		
. Wages and salaries	2,510	2,192
. Social security costs	157	173
. Other employment costs	200	179
	<u>2,867</u>	<u>2,544</u>
Seconded, Consultants and Sub-contractors	193	138
<b>Total employment costs</b>	<u>3,060</u>	<u>2,682</u>

AGI has benefited substantially from the contribution of staff seconded from other organisations. Such staff form an integral part of the organisation and the project teams in Africa. Seconded, consultants and subcontractor costs of £193k (2014: £138k) incurred during the year by the charity in furtherance of its charitable activities are included in total staff costs.

Staff costs analysed by activity were as follows:

	2015 £'000	2014 £'000
Expenditure on raising funds	94	119
Charitable activities :		
. Rwanda	376	495
. Sierra Leone	617	515
. Liberia	521	378
. Guinea	264	213
. Power Africa	360	216
. Nigeria	114	118
. Ethiopia	312	137
. Insight, learning and knowledge sharing	230	199
. New and emerging projects	148	272
. Governance of the charity	24	20
	<u>3,060</u>	<u>2,682</u>

## 7 Employee and staff costs (continued)

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

	Employees Number	2015 Secondes / Subcontractors Number	Total Number	2014 Total Number
Raising funds	1.5		1.5	2.4
Charitable activities				
· Rwanda	6.5		6.5	10.2
· Sierra Leone	9.7	1.0	10.7	9.7
· Liberia	8.2	1.0	9.2	7.4
· Guinea	4.8		4.8	3.3
· Power Africa	5.6		5.6	3.3
· Nigeria	1.9		1.9	2.1
· Ethiopia	5.9		5.9	2.1
· Insight, learning and knowledge sharing	4.0		4.0	3.7
· New and emerging projects	2.8		2.8	5.1
Governance of the charity	0.5		0.5	0.4
Total	51.4	2.0	53.4	49.7

As of 31 December 2015 AGI had 52 employees ( 2014 : 54 ) and 2 secondees and subcontractors ( 2014 : 1 ).

There was one employee who earned £80,000-£89,999 per annum (2014: none), one employee who earned £70,000 - £79,999 per annum ( 2014: 1) and 7 employees who earned £60,000 - £69,999 ( 2014 : 4 ) (including taxable benefits but excluding employer pension contributions). In 2015 pension contributions of £9k were paid for staff who earned over £60,000 (2014: £6k).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the senior management team. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £360k (2014: £333k).

None of the Trustees received any remuneration in respect of their services during the year. No trustee was reimbursed expenses in the year ( 2014 : nil ).

## 8 Taxation

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

The charity is unable to reclaim VAT suffered on expenditure. Irrecoverable VAT suffered during the year amounted to £200k (2014 : £130k).

## 9 Tangible fixed assets

	Computer Equipment £'000	Plant & Machinery £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January 2015	94	23	88	205
Additions	88	177	8	273
Disposals	0	0	(6)	(6)
At 31 December 2015	182	200	90	472
<b>Depreciation</b>				
At 1 January 2015	57	15	11	83
Disposals	0	0	(3)	(3)
Charge for year	42	34	18	94
At 31 December 2015	99	49	26	174
<b>Net book values</b>				
At 31 December 2015	83	151	64	298
At 31 December 2014	37	8	77	122

## 10 Debtors

	2015 £'000	2014 £'000
<b>Due within one year</b>		
Debtors	114	0
Prepayments	165	169
Accrued income	925	2,111
Other debtors	71	52
<b>Total debtors</b>	<b>1,275</b>	<b>2,332</b>

### 11 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	266	229
Accruals	110	99
Deferred income	5,012	7,066
<b>Total creditors falling due within one year</b>	<b>5,388</b>	<b>7,394</b>

	2015 £000	2014 £000
Deferred Income at 1 January	7,066	774
Resources deferred in the year	132	6,659
Amounts released from previous years	(2,186)	(367)
<b>Deferred Income at 31 December</b>	<b>5,012</b>	<b>7,066</b>

Resources deferred during the year relate to donations received in 2014 and 2015 to fund activities in future years.

### 12 Restricted funds

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

	At 1 January 2015 £'000	Income £'000	Expenditure £'000	At 31 December 2015 £'000
Rwanda	(15)	507	(492)	0
Sierra Leone	1	852	(853)	0
Liberia	121	527	(648)	0
Guinea	0	393	(393)	0
Power Africa	0	572	(572)	0
Insight, learning and knowledge sharing	0	247	(247)	0
New and Emerging Projects	0	152	(152)	0
	<b>107</b>	<b>3,250</b>	<b>(3,357)</b>	<b>0</b>

### 13 Designated Fund ( Rapid Action Fund )

In 2011 AGI designated a new " Rapid Action Fund " (RAF) to be created from AGI's unrestricted reserves. Its purpose is to allow AGI to meet demand to explore programmes in new African countries, as well as support existing programmes where necessary, whilst mobilising stable long term funding. RAF funded expenditure is included in the SOFA within the individual country heading.

	At 1 January 2015 £'000	New designation £'000	Utilised/ released £'000	At 31 December 2015 £'000
Rapid Action Fund	1,805	2,143	(2,111)	1,837

As referenced in the Trustees' Report, this fund is used to support our activities primarily in Sierra Leone, Guinea, Ethiopia and Nigeria.

### 14 Analysis of net assets between funds

	Restricted funds £'000	Designated funds £'000	Unrestricted funds £'000	At 31 December 2015 Total funds £'000	At 31 December 2014 Total funds £'000
Fund balances at 31 December 2015 are represented by :					
Tangible fixed assets	25	0	273	298	122
Net current assets	(25)	1,837	(235)	1,577	2,476
<b>Total net assets</b>	<b>0</b>	<b>1,837</b>	<b>38</b>	<b>1,875</b>	<b>2,598</b>

## **15 Operating leases**

Total of future minimum lease payments under non-cancellable operating leases in respect to land and buildings.

	2015 £'000
Not later than one year:	85
Later than one year and not later than five years:	64
	<u>149</u>

## **16 Connected entities**

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

During the year the charity received £2,108,623 (2014: £Nil) from Tony Blair Governance Initiative – US and had an amount owing at the year end of £Nil (2014: £1,319,550). The funds were to be used for RAF and related to 2015 activities.

## **17 AGI Patron**

AGI is grateful for the continued support of its Patron the Rt. Hon. Tony Blair. The Patron 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 AGI partner governments in Africa. The Patron also generally promotes the charity and its activities, taking a significant role in fundraising for the charity. The Patron does not direct the charity's activities and the Trustees and the Patron have agreed a memorandum to confirm the regulations governing the relationship between AGI and the Patron. The Patron undertakes his role on a pro-bono basis.

## **18 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.

## **19 Pension Costs**

The charity operates a defined contribution scheme on behalf of its employees. The assets are held in separately administered funds. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £27k (2014: £25k).

## **20 Post balance sheet events**

The Board of Trustees is currently reviewing the future strategic direction of the charity to maximise the effective delivery of the charitable objectives for which it was established. It is possible that the outcome of the review may result in the transition of its operations in their current form during the course of the next financial year (2017) to a successor organisation, subject to regulatory review.