Registered No. 10505963

TONY BLAIR INSTITUTE

(A Company Limited by Guarantee)

Annual report and consolidated financial statements

31 December 2018

CONTENTS

GROUP INFORMATION

DIRECTORS

ACL Blair
CJ Rimmer
DJ Collins
A Ablo

AUDITOR

KPMG LLP
Chartered Accountants
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London
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STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2018.

A REVIEW OF 2018

The Tony Blair Institute for Global Change (TBI) is a not-for-profit organisation with a mission to make globalisation work for the many.

The consolidated financial statements show the organisation to be in a healthy financial position, with total reserves standing at $9.3m at the reporting date.

The Institute's accounts reflect the second year since the strategic coming together of three organisations, generating a surplus of $3.5m compared with the deficit in 2017 arising from the necessary first year costs of a complex merger. The increase in income was particularly pronounced in relation to activities carried out in Africa; funding for activities in this region almost doubled, to $17.2m.

In 2018, we streamlined our processes while continuing to invest in our people and projects, growing the impact and reach of the organisation as we progressed in meeting our goals.

Our activities can be broken down into four overlapping and related areas, which serve our overarching aim of supporting reforming governments to alleviate poverty, raise standards of living, foster religious and cultural tolerance, advance peace and reconciliation, support progressive policies and seize the opportunities of the technological revolution.

Area	Overview of Activity
Co-existence and Counter-extremism	Promoting co-existence and countering extremism by tackling the ideologies behind the violence
Governance	Supporting political leaders and governments to implement progressive changes and reforms
Middle East	Through a regional approach to the Israeli-Palestinian peace process, fostering Arab-Israeli ties and promoting dialogue
Renewing the Centre	Supporting progressive policy through ideas that tackle the challenges and seize the opportunities of tomorrow

These areas are interrelated. Governance and strong leadership are both undermined when the ideologies that power extremism can flourish. This in turn curtails the development of societies and countries, creating fertile ground for the politics of fear and pessimism and populism, rather than the hope and optimism that a renewed centre-ground can offer. Conflict in the Middle East plays out in lasting grievances and proxy conflicts around the world.

OUR PEOPLE

The accounts show an average total of 213 staff in 2018. Our staff are based in many locations throughout the world, including 14 African nations, the UK, the United States, Israel, UAE and Serbia. They offer a wide range of expertise and experience, and we collectively benefit from such a diverse workforce that comprises over 35 different nationalities.

Gender balance is incredibly important to us and we are proud that our commitment to this shows in the make-up of our workforce. 55% of our employees are women, including our Chief Executive Officer and Chief Operations Officer, and our board is 50% female. We remain committed to investing in our people wherever in the world they work. They are our greatest asset and the key to turning our mission into a reality.

Tony Blair, Executive Chairman of the Institute, plays a hands-on role in the strategic development of the organisation and contributes to our impact by actively engaging with individuals, organisations and debates that he believes are critical in building open, inclusive and prosperous societies in an interconnected world. He receives no remuneration for his work at TBI, to which he devotes at least 80% of his time.

STRATEGIC REPORT (CONT.)

OUR WORK AND OBJECTIVES

Governance

We support partner governments across Africa to build their capability and improve living standards for their citizens. In 2018, we extended our capacity in Ghana and Kenya with the recruitment of new Country Heads and a Senior Communications Advisor in Kenya, we began assembling an embedded team in Côte d'Ivoire and initiated scoping in Burkina Faso. Collectively, we continue to work in 14 African countries, with our work on the continent potentially reaching 500 million people.

Our projects focus on establishing the skills, systems and structures at the centre of governments to ensure there is effective government leadership and coordination; driving economic reform; strengthening the private sector and business environment; facilitating foreign investment; building key infrastructure; and improving the delivery of public services.

In Guinea we played a brokering role between the Government and a range of stakeholders in negotiations for both the Souapiti hydropower dam and Khoumagueli solar power plant, persuading the government to negotiate better terms. Souapiti has since reached financial close with sign-off for a $1.2 billion loan agreement in September 2018, and the new terms for the Khoumagueli project will save the country $13 million a year, or more than $320 million over the 25 years of the contract. By 2022 Guinea is now expected to be a net energy exporter.

We supported the Government of Togo to become the fasted-growing destination for BPO (business process outsourcing) in sub-Saharan Africa, through attracting investors and developing telecom-enabled activities. Two leading operators in the francophone CRM (customer relationship management) market have started operations in Togo, investing $3 million and creating 400 new jobs in 2018 alone, with an estimated 1,000 new jobs within the next two years.

Working alongside the Government of Ghana to develop the country's industrialisation strategy, we engaged executives at Groupe Renault, introducing them to the Minister of Trade and facilitating investment discussions. Consequently, Groupe Renault signed a MoU with the Government, committing to establish an assembly plant for three Renault models.

In Sierra Leone, we work with both the national government and the Mayor of Freetown. Within Freetown City Council we supported the newly elected Mayor on her 'Transform Freetown' agenda by designing and setting up the sector-specific working groups, which produced the targets and gained buy-in from all stakeholders, including funders, civil society groups and NGOs.

In the Gambia we worked alongside the government to establish the Directorate of Strategic Policy and Delivery, within the Presidency. This was a major restructure following the Gambia's historic return to democracy in January 2017, which stands the new democracy in stronger stead to deliver services and economic development with efficiency, transparency and accountability.

In Rwanda we played a leading role in the development of the core government planning documents, Vision 2050, and the first National Strategy for Transformation (NST1) – the government's plan for the next seven years. We provided analytical and policy briefs to drive government action on improving Rwanda's ranking in the World Bank's Human Capital Index (HCI). TBI's advisor to the Rwanda Development Board (RDB) was appointed as permanent Chief Investment Officer of the RDB amid a reorganization that refocused resources on strategic investments.

In Kenya, the team provided support to the President's Delivery Unit (PDU) to develop the implementation structures and planning documents to deliver the President's 'Big 4' policy agenda for his second term (manufacturing; food security; universal healthcare; and affordable housing). This included establishing performance management routines, developing a communications framework and providing training to PDU staff to build institutional capacity.

We are proud to be a key partner to Ethiopia's new Prime Minister, Dr Abiy Ahmed, who took office in April 2018 and quickly commenced sweeping, historic reforms to Ethiopia's economy and political system. We commenced support on State-Owned Enterprises reform. In the Prime Minister's Office, we advised on the placement of a central monitoring function and advised on the setup of the Policy and Performance Unit to improve performance management systems and processes that enable better coordination between Ministries to deliver the government's agenda. We continued to work on the country's industrialisation and domestic manufacturing sector development as well as the development of new job creation and youth employment initiatives.

STRATEGIC REPORT (CONT.)

We also supported the development of new initiatives that enhance job creation and youth employment in Ethiopia. Alongside Prime Minister Ahmed, Tony Blair delivered a public lecture to 800 young Ethiopians on the topic of "Inspiring Future Leaders of Ethiopia".

2018, also saw a significant focus to consolidate several newer projects where the Institute is gaining understanding of the local context and political dynamics necessary to provide our unique, tailored advice to leaders on how to accelerate delivery of their public policy and development priorities. As a result we recruited 29 new people who joined our teams during the year, bringing our staffing numbers in Africa to 77 – including 12 staff members who support our programmes in Africa from our London head office.

Within this growth story, we also commenced work for the first time in the Sahel region, with engagement primarily in Burkina Faso. The Sahel region is among the world's poorest and at greatest risk from climate change. Spanning the breadth of the continent, the region is fertile ground for extreme poverty and conflict. The potential fallout is global, with dramatic climate change a reality and extremism on the rise. Increasing extremist violence is creating instability in a number of countries of the Sahel (particularly Mali, Burkina Faso and Niger), with the number of incidents targeting civilians having increased by about 50 percent compared with the previous year.

With the rapid expansion of the region's population compounding these challenges, strong government is needed now. Tony Blair has spoken about this issue on a global stage, raising awareness of the region's plight and the international response required. TBI has launched a new Sahel programme, supporting governments in the region and sharing our lessons in governance with the international community. This has resulted in a partnership with the Government of Burkina Faso.

By partnering with like-minded organisations in Africa, we have been able to scale and enhance the impact of our work. In 2018, we initiated work with 6 partners, including the Africa Green Revolution in Africa (AGRA) at their forum in Kigali in September 2018. TBI held several events, with Tony Blair giving keynote speeches underscoring the importance of agriculture to the African continent.

Tony Blair visited 12 projects in 2018, including Sierra Leone, Liberia, Côte d'Ivoire, Togo, Ghana, Guinea, Rwanda, Ethiopia and Kenya, meeting with all their heads of government, to discuss progress in implementing their priorities and the Institute's ongoing support.

Co-Existence

TBI's co-existence work focusses on promoting co-existence and countering extremism by tackling the pernicious ideology which gives rise to extremist acts.

The team conducts research on extremist ideologies, Islamist extremists, the far right, online and offline extremism, the Boko Haram insurgency and Shia Islamism. In September 2018, TBI launched its inaugural 'Global Extremism Monitor'. This was the culmination of extensive research that included geo-coding individual acts of violent extremism, and efforts to counter it across the globe. In 2017 the Monitor found that at least 84,023 people died in 66 countries from acts of Islamist extremism. TBI's work has given rise to actionable insights, including the role that women play in violent Islamist groups and the execution of attacks, as well as the disproportionate number of victims from Muslim–majority states. Research informs the support given to leaders and governments around the world, including the role states could and should play in countering extremism. While security measures will always be vital, unless decision-makers fully engage in the battle of ideas and tackle extremist thinking, violence will continue to spread. These insights also shape the focus of TBI's programmatic and advocacy work.

We continued to expand our work with young people. Compass is a mentoring project that supports young women to break down some of the barriers faced by minority groups in British society and build inclusive communities that are resilient to destructive ideologies. This year saw the recruitment of 76 mentors who supported 144 young women across four London boroughs. Evaluation of the project highlighted that 93% of participating mentees felt more confident overcoming potential barriers to higher education and demonstrated an increase in the number of mentees who feel comfortable interacting with groups outside their local community, and who have a better understanding of their own aspirations and how to achieve them. Since its inception, the project has reached 244 young women, and will be extended to its first location outside London in 2019-20.

STRATEGIC REPORT (CONT.)

Generation Global, a pioneering global education programme for 12- to 17-year-olds, entered its ninth year and has, to-date, reached over 500,000 young people around the world. By providing global learning and dialogue opportunities, the programme helps young people to be resolute in the face of narratives that feed the development of extremist ideologies. The programme is now seeing the added benefit of its alumni returning to engage with current students, supporting them to have respectful and meaningful dialogue through the programme's online community. 2018 saw the highest level of activity since its inception, reaching more than 109,000 students – an increase of 39,000 on last year - speaking to the growing recognition that education is key to tackling extremism. We connected more than 16,000 students globally compared to 11,000 in the previous year, and the programme continued to build its government relationships, including working with the Ministries of Education in Jordan and Italy, as well as in several states in India.

TBI is convening the development of a new Global Commitment to Promote Global Citizenship and Prevent Extremism, through education. Working with government partners and the United Nations, TBI aims to elevate the prevention of extremism on the global political agenda. The Global Commitment, to be launched in early 2020, will set out global principles to inform the development of education systems that root out religious prejudice and promote open, global, tolerant societies.

Supporting Leaders is a programme designed to build the skills and experience of religious and community leaders, increasing their capacity to identify and tackle religious extremism through counter-narratives and practical community action. In 2018, we worked with our local partners to deliver training to 156 religious leaders in Nigeria. Concurrently we worked with potential partners to co-design a pilot project to replicate Supporting Leaders in Kenya, on the basis of which we secured funding to train 40 religious leaders in 2019.

Middle East

Our work in the Middle East supports a regional approach to the peace process, one which fosters Arab-Israeli ties, ensures the viability of a future Palestinian state alongside a secure Israel and supports modernization in the Arab world. While the peace process is stalled, Israel's place in the region remains uncertain. Our reports focussed on promoting regional cooperation and identified opportunities to forge a new path to peace, including exploring the untapped potential for Israeli-Arab trade and economic cooperation.

Renewing the Centre

Our Renewing the Centre work focuses on tackling the big policy challenges presented by globalisation in the West, revitalising liberal democracy and combatting populism. Our output is not that of a think tank but rather a non-partisan policy platform that aims to both inform and support those on the frontline of politics with radical and practical ideas. Our reports included a defence of liberal values to counter the surge of authoritarianism; how to manage migration in the 21st century; and a new deal for 'big tech' that ensures the benefits of new technologies are harnessed while mitigating its risks and protecting the freedom to innovate.

Tony Blair has shared his reflections on a range of topics that underpin the work of Renewing the Centre, including a keynote speech on the subject at the inaugural Copenhagen Democracy Summit.

FINANCIAL REVIEW

2018 represented the second year of TBI's operations following the merger which began in December 2016. The period to 31 December 2017 had ended with a deficit of $3.0m, largely as a result of costs necessarily incurred in setting up the new organisation. By contrast, a combination of strategic fundraising and business development with careful management of TBI's resources saw us record a surplus of $3.5m after tax in 2018.

The expanding scope of TBI's work in 2018 saw Group turnover rise by almost one third over the previous period (growing to $45.2m in 2018 from $34.8m in the 13-month period to the end of 2017). This increase in turnover testifies both to the relevance and perceived value of TBI's work globally and to the improving awareness and recognition of our

STRATEGIC REPORT (CONT.)

mission. The increase in income was particularly pronounced in relation to activities carried out in Africa; funding for activities in this region almost doubled, to $17.2m.

The increased scale of activities also resulted in a controlled rise in expenditure relative to the previous period. Employment costs were the main driver of this increase as TBI's staff grew by a quarter, from an average of 168 employees in the period to 31 December 2017 to an average of 213 in 2018. Over 70% of these additional staff are dedicated to programme delivery, particularly in the area of governance. Despite the significant growth in staff numbers, which underscores TBI's ambition to take on ever more challenges, the increment in operating expenditure overall was limited to 2% as compared with the previous period.

Following the results of 2018, TBI finds itself in a strong position from which to plan ongoing activities. The surplus generated in 2018 brings the level of reserves to $9.3m at the close of the year, slightly in excess of the reserves of $8.8m with which TBI was endowed upon its incorporation. Maintaining a healthy level of reserves is important for any not-for-profit organisation, allowing as it does for more flexibility and ambition in planning and mitigating the risk of unexpected shocks. As with all TBI's resources, these reserves are dedicated to furthering the long-term objectives of the organisation.

RISK MANAGEMENT

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

Financial risk

As with any similar organisation, liquidity and solvency are key considerations for TBI. Financial forecasts are reported regularly to the Board and a solvency threshold is in place to ensure that TBI remains able to meet its commitments and deliver its objectives. The Board regularly reviews work plans in order to ensure that they are achievable and commensurate with funding.

TBI considers exposure to credit risk to be inherently low, due to the nature of our contracts and the profile of our funding partners. Credit risk is reduced by the performance of due diligence processes on potential funding partners and mitigated by active credit control, ongoing communication with our partners and a policy of providing for aged debts.

TBI mitigates foreign exchange risk by holding cash in more than one currency and keeping cash balances under close review. While Brexit is a major source of uncertainty around the UK economy and business environment, TBI is protected from the risk of a weakening pound by the fact that most of TBI's income is denominated in US dollars.

Operational risk

In order to succeed in its ambitions, it is imperative that TBI can communicate its purpose, values and aims clearly, internally as well as to external stakeholders. The Board continues to invest in the alignment of internal systems, processes and culture and is satisfied that TBI is well-placed to carry out its mission.

TBI is a global organisation, operating in over 30 countries in 2018, and each region presents its own unique challenges. TBI takes its duty of care to its employees extremely seriously, as well as its responsibilities to the communities and environments in which we operate. To this end, TBI has developed extensive policies regarding safety and security and the safeguarding of young and vulnerable people as well as anti-human trafficking and anti-slavery policies. Policies are also in place concerning supply management and procurement, conflicts of interest and whistle-blowing, as are anti-money laundering and anti-corruption measures.

Compliance with local laws and regulations is also of paramount importance; TBI actively monitors the legal and regulatory environments in which we operate and obtains specialist professional advice where necessary.

STRATEGIC REPORT (CONT.)

PARTNERS AND DONORS

In 2018, we partnered with more organisations to further scale the breadth and impact of our work. As we continue to grow and deliver on our mission, we are reminded of the generous intellectual and financial support from all our donors and funding partners.

Our partners

We have developed partnerships with aligned organisations. We would like to thank the staff and leadership of every partner organisation for their thoughtful and collaborative work and support. Across all the areas of our work, TBI partnered formally and informally often through joint convening, research or reports, with a variety of external stakeholders. In 2018 we worked with:

- ACET in Accra
- AGRA (the Alliance for a Green Revolution in Africa)
- The Anti-Defamation League (ADL)
- The Blavatnik School of Government at Oxford University
- Cardinal Onaiyekan Foundation for Peace
- CSIS in Washington DC
- The Global Community Engagement and Resilience Fund (GCERF)
- Lee Kwan Yew University
- Microsoft Asia
- Overseas Development Institute (ODI)
- Pathways for Prosperity (PfP)

Our donors and funding partners

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

- African government partners who directly contract with TBI
- Anne Wojcicki Foundation
- Bill & Melinda Gates Foundation
- GHR Foundation
- Howard G Buffett Foundation
- Kirsch Foundation
- Lawrence Ellison Foundation
- Media Investments Ltd (being the Q1 2018 donation referenced in the 2017 strategic report)
- United States Agency for International Development (USAID)
- The US State Department
- Victor Pinchuk Foundation

Many generous individuals have also given their support.

By order of the board

C J Rimmer
Director
26 September 2019

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2018.

REVIEW OF THE BUSINESS

A review of the business has been provided in the Strategic Report on pages 2 to 7.

DIRECTORS

The directors who held office during the year were:

ACL Blair
CJ Rimmer
FGL Bouvard *(resigned 21 May 2019)*
DJ Collins
DN Lyon *(resigned 31 July 2019)*

A Ablo was appointed as a director on 1 August 2019.

POLITICAL CONTRIBUTIONS

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

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

AUDITOR

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

By order of the board

C J Rimmer
Director
26 September 2019

50 Broadway
London
SW1H 0BL

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its surplus or deficit for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or Parent Company or to cease operations or have no realistic alternative but to do so.

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

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

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

Opinion

We have audited the financial statements of Tony Blair Institute ("the company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

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

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

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Fleur Nieboer

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

26 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 $000	13-month period to 31 December 2017 $000
TURNOVER	2	**45,245**	34,844
Administrative expenses		**(41,595)**	(40,909)
OPERATING SURPLUS/(DEFICIT)	3	**3,650**	(6,065)
Interest receivable and similar income		**344**	105
Other financial income	6	**-**	3,514
SURPLUS/(DEFICIT) BEFORE TAXATION		**3,994**	(2,446)
Tax charge on surplus/(deficit) on ordinary activities	7	**(447)**	(588)
SURPLUS/(DEFICIT) FOR THE FINANCIAL PERIOD		**3,547**	(3,034)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT)		**3,547**	(3,034)

The notes on pages 18 to 32 form an integral part of these consolidated financial statements. All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	***2018***	*2017*
		$000	*$000*
FIXED ASSETS			
Tangible assets	*8*	**1,547**	2,395
CURRENT ASSETS			
Debtors *(including $1,564,000 (2017: $1,516,000) due after more than one year)*	*10*	**9,499**	8,611
Cash at bank and in hand		**31,192**	17,146
TOTAL CURRENT ASSETS		**40,691**	25,757
CREDITORS: Amounts falling due within one year	*11*	**(32,351)**	(21,309)
NET CURRENT ASSETS		**8,340**	4,448
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,887**	6,843
PROVISIONS FOR LIABILITIES	*12*	**(576)**	(1,079)
NET ASSETS		**9,311**	5,764
RESERVES			
Merger Reserve	*18(c)*	**8,798**	8,798
Profit and loss account		**513**	(3,034)
TOTAL RESERVES		**9,311**	5,764

The notes on pages 18 to 32 form an integral part of these consolidated financial statements. These financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

C J Rimmer
Director

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 $000	2017 $000
FIXED ASSETS			
Tangible assets	8	**1,547**	2,395
CURRENT ASSETS			
Debtors *(including $1,564,000 (2017: $1,516,000) due after more than one year)*	10	**9,499**	8,721
Cash at bank and in hand		**31,037**	17,146
TOTAL CURRENT ASSETS		**40,536**	25,867
CREDITORS: Amounts falling due within one year	11	**(32,259)**	(21,309)
NET CURRENT ASSETS		**8,277**	4,558
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,824**	6,953
PROVISIONS FOR LIABILITIES	12	**(576)**	(1,079)
NET ASSETS		**9,248**	5,874
RESERVES			
Profit and loss account		**9,248**	5,874
TOTAL RESERVES		**9,248**	5,874

The notes on pages 18 to 32 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26 September 2019 and were signed on its behalf by:

C J Rimmer
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Merger reserve	*Profit and loss account*	*Total equity*
	$000	***$000***	***$000***
Balance at 1 December 2016	-	-	-
Reserve arising on merger on 1 December 2016 *(note 18(c))*	8,798	-	8,798
Deficit for the period	-	(3,034)	(3,034)
Balance at 31 December 2017	**8,798**	**(3,034)**	**5,764**
Balance at 1 January 2018	8,798	(3,034)	5,764
Surplus for the year	-	3,547	3,547
Balance at 31 December 2018	**8,798**	**513**	**9,311**

Merger reserve

The balance of $8,798,000 represents the value of the net assets of Windrush Ventures Limited on 1 December 2016, the date at which it became a wholly owned subsidiary of Tony Blair Institute. Further details are provided in note 18(c).

The notes on pages 18 to 32 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Profit and loss account	*Total equity*
	$000	*$000*
Balance at 1 December 2016	-	-
Surplus for the period	5,874	5,874
Balance at 31 December 2017	**5,874**	**5,874**
Balance at 1 January 2018	5,874	5,874
Surplus for the year	3,374	3,374
Balance at 31 December 2018	**9,248**	**9,248**

The notes on pages 18 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Note	2018 $000	13-month period to 31 December 2017 $000
OPERATING ACTIVITIES			
Operating surplus/(deficit) for the year		**3,650**	(6,065)
Adjustments for			
Depreciation	8	**427**	880
Impairment	8	**545**	-
Fixed asset currency revaluation	8	**(32)**	-
Interest receivable		**344**	-
Taxation	7	**(447)**	-
Increase in debtors	10	**(888)**	(5,981)
Increase in creditors	11	**11,042**	15,322
Movement in provisions	12	**(503)**	1,079
Loss on disposal of fixed assets		-	75
Tax paid		-	(178)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**14,138**	5,132
INVESTING ACTIVITIES			
Interest received		-	105
Payments to acquire fixed assets	8	**(118)**	(2,583)
Acquisition of subsidiary		-	11,075
Proceeds from disposal of fixed assets		**26**	-
NET CASH INFLOW FROM INVESTING ACTIVITIES		**(92)**	8,597
FINANCING ACTIVITIES			
Charitable gift received	18(a)	-	3,416
Charitable gift received	18(b)	-	1
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	3,417
NET INCREASE IN CASH AND CASH EQUIVALENTS		**14,046**	17,146
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**17,146**	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**31,192**	17,146

The notes on pages 18 to 32 form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1 ACCOUNTING POLICIES

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

Statement of compliance

Tony Blair Institute, trading as Tony Blair Institute for Global Change, is a Company limited by guarantee registered in England and Wales (*registered Company number: 10505963*) whose registered office is 50 Broadway, London, SW1H 0BL. Tony Blair Institute is considered to be a Public Benefit Entity.

The Group and Parent Company's financial statements have been prepared in compliance with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as it applies to the financial statements of the Group for the period ended 31 December 2018.

Basis of preparation

The present financial statements have been prepared for the year to 31 December 2018. The previous set of financial statements, the first prepared by the Group and Parent Company, accounted for a period of 13 months, from 1 December 2016 to 31 December 2017. This may affect the comparability of results for the two periods.

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

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

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

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

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2018. A subsidiary is an entity that is controlled by the parent.

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

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

TBIGC Limited, a wholly owned subsidiary of Tony Blair Institute, was incorporated on 17 July 2017. TBIGC Limited did not trade during the year ended 31 December 2018 nor in the period ended 31 December 2017 and is therefore excluded from the consolidated financial statements.

In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

Going concern

Based on the results reported in these financial statements, as well as forecast income and expenditure, the directors consider the Group to be in a healthy financial position. The period ended 31 December 2017 represented the first period of account for Tony Blair Institute. For the year ended 31 December 2018, the Group recorded a surplus, thereby increasing the level of reserves. At 31 December 2018, the Group held net assets of $9,311,000, including net current

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

1 ACCOUNTING POLICIES (CONTINUED)

assets of $8,340,000. The Group also held substantial cash balances. Based on their assessment of the Group's financial position, the Group's directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future. Therefore, the going concern concept of accounting has been adopted in preparing the annual financial statements.

Significant accounting judgements, estimates and assumptions

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

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

(a) Operating lease commitments

The Group has entered into several commercial property leases as a lessee. The properties are used for the provision of its principal activities as discussed in the Strategic Report. The classification of such leases as an operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangement, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the leases requires assets and liabilities to be recognised in the statement of financial position. All leases have been determined to be operating leases.

(b) Impairment

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from past performance and future budgets and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

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

Significant accounting policies

Tangible fixed assets

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

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives are as follows:

- Leasehold improvements — 10 years
- Furniture and fittings — 5 years
- Plant and equipment — 3 - 5 years

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

1 ACCOUNTING POLICIES (CONTINUED)

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

Investments

Investments are initially recognised at fair value which is normally the transaction cost price. Subsequently investments are recognised at cost less impairment. The carrying values of investments are reviewed for impairment on an annual basis or when events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

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

Transactions denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the statement of financial position date. Exchange gains and losses are included in operating surplus (or deficit).

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. Provisions are made for onerous leases up until the date at which management believe the lease will be terminated or when economic benefit will be resumed.

Pension costs

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

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

Turnover

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

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

Interest income

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

Taxation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

1 ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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

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

Provisions

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

Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

The Group determines the classification of its financial assets at initial recognition.

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

(ii) Impairment of financial assets

At the end of each reporting period financial assets at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

(iii) Derecognition of financial assets

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) subsequently all the risks and rewards of the ownership of the asset are transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

1 ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(b) Financial liabilities

(i) Initial recognition and measurement

The Group determines the classification of its financial liabilities at initial recognition.

Basic financial liabilities, including trade and other payables and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at the market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Derecognition of financial liabilities

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the income statement.

Offsetting

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

2 TURNOVER

Turnover for the period was derived from the principal activities of the Group as explained in the Strategic Report and is analysed by geographic region as follows:

	2018 $000	2017 $000
Africa	**17,249**	9,332
Europe	**14,292**	14,876
Middle East	**13,596**	10,636
Rest of the world	**108**	-
	45,245	34,844

3 EXPENSES AND AUDITOR'S REMUNERATION

Included in the surplus/deficit are the following:

	2018 $000	2017 $000
Operating lease rentals		
- Land and buildings	**2,652**	2,796
- Other equipment	**981**	826
Depreciation of tangible fixed assets	**427**	880
Impairment of fixed assets	**545**	-
Foreign exchange (gains)/losses	**(384)**	557
	4,221	5,059

Auditors' remuneration:

	2018 $000	2017 $000
Audit of these financial statements	**87**	91
Audit of financial statements of subsidiaries of the Group	**-**	18
Other non-audit services	**247**	175
	334	284

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2018

4 DIRECTORS' REMUNERATION

During the year, the Group had five directors (period to 31 December 2017: five) including ACL Blair, who does not receive any remuneration from the Group for his services. The remaining four directors of the Parent Company received a total remuneration for the period of $612,000 (period to 31 December 2017: $621,000). The total remuneration was paid by the Parent Company as all related to services provided to the Parent Company.

	2018	*2017*
	$000	*$000*
Aggregate remuneration	**554**	617
Defined contribution pension contributions	**14**	-
Sums paid to third parties for directors' services	**44**	4
	612	621

The remuneration for the highest paid director was $401,000 (period to 31 December 2017: $324,000). Defined contribution pension contributions of $12,000 (period to 31 December 2017: nil) were also made in respect of the highest paid director.

5 STAFF COSTS

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

	Number of employees	
	2018	*2017*
Governance	**103**	73
Initiative for the Middle East	**6**	7
Co-existence	**32**	30
Renewing the Centre	**8**	7
Communications	**4**	4
Financial management & reporting; Legal, risk & compliance	**15**	15
People, development & training	**9**	7
Administrative support	**10**	7
Technology & infrastructure	**8**	7
Stakeholder relations & engagement	**12**	7
Fundraising	**6**	4
Total	**213**	168

Employment costs of all employees of the Group comprised:

	2018	2017
	$000	*$000*
Wages and salaries	**19,717**	14,765
Social security costs	**1,196**	813
Contributions to defined contribution plans	**398**	196
	21,311	15,774

Wages and salaries include amounts paid to both permanent and locally-contracted staff.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

6 OTHER FINANCIAL INCOME

	2018 $000	2017 $000
Gain on gift from The Tony Blair Faith Foundation (note 18a)	-	3,247
Gain on gift from The Tony Blair Governance Initiative (note 18b)	-	267
	-	3,514

On 1 March 2017 The Tony Blair Faith Foundation (a charitable Company limited by guarantee) transferred its staff, activities and net assets to the Tony Blair Institute by way of gift. The gain recognised was $3,247,000.

On 1 March 2017 The Tony Blair Governance Initiative (a charitable Company limited by guarantee) transferred its staff, activities and net assets to the Tony Blair Institute by way of gift. The gain recognised was $267,000.

Both transfers were carried out with due regard to the Companies Act 2006, the Charities Act 2011 and the Charity Commission's rules and regulations.

7 TAX ON SURPLUS ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the period

	2018 $000	2017 $000
UK Taxation		
UK Corporation tax	-	338
Foreign Taxation		
Foreign taxation	410	250
Adjustment in respect of prior period	37	-
Total current tax charge	447	588
UK Deferred tax		
Originating and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge on surplus/(deficit) on ordinary activities	447	588

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

7 TAX ON SURPLUS ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting total tax charge

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

	2018 ***$000***	*2017* *$000*
Surplus/(deficit) before taxation	**3,994**	(2,446)
Total tax charge on surplus/(deficit) on ordinary activities	**447**	588
Surplus/(deficit) before taxation multiplied by the standard rate of corporation tax in the UK of 19.0% (2017: 19.3%)	**759**	(472)
Effect of:		
Originating and reversal of timing differences	**-**	115
Fixed asset differences	**54**	-
Non-deductible expenses	**69**	145
Non-taxable income	**-**	(678)
Other timing differences	**-**	(91)
Other permanent differences	**(12)**	-
Company foreign tax	**366**	250
Deferred tax asset not recognised	**(742)**	1,165
Adjustment in respect of prior periods	**37**	-
Effect of tax rate differences	**(84)**	154
Total tax charge on surplus/(deficit) on ordinary activities	**447**	588

(c) Factors that may affect future tax charges

The UK corporation tax rate reduced from 20% to 19% effective from 1 April 2017. A further reduction to a rate of 17%, effective from 1 April 2020, has also been substantively enacted from 6 September 2016. This will reduce the Group's total current tax charge accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

8 TANGIBLE FIXED ASSETS

Group and Company

	Leasehold improvements $000	***Plant and Equipment $000***	***Fixtures & fittings $000***	***Total $000***
Cost				
Balance at 1 January 2018	2,048	598	360	3,006
Additions	13	97	8	118
Disposals	-	(128)	-	(128)
Effect of movements in foreign exchange	(35)	(7)	(16)	(58)
Balance at 31 December 2018	**2,026**	**560**	**352**	**2,938**
Depreciation and impairment				
Balance at 1 January 2018	(206)	(334)	(71)	(611)
Depreciation charge for the year	(155)	(213)	(59)	(427)
Impairment losses	(545)	-	-	(545)
Disposals	-	102	-	102
Effect of movements in foreign exchange	69	16	5	90
Balance at 31 December 2018	**(837)**	**(429)**	**(125)**	**(1,391)**
Net book value				
At 1 January 2018	1,842	264	289	2,395
At 31 December 2018	**1,189**	**131**	**227**	**1,547**

Impairment loss

An impairment loss has been recognised in the year in relation to leasehold improvements. This follows a revision to the estimated cost, as advised by an independent, external consultant, of restoring the Company's premises to their original condition at the end of the lease term.

9 INVESTMENTS

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

The Parent Company has a £1 share in TBIGC Limited (representing a holding of 100%) which is incorporated and domiciled in the UK. This entity did not trade for the year ended 31 December 2018.

Windrush Ventures Limited was a wholly-owned subsidiary of Tony Blair Institute between 1 December 2016 and 4 December 2017, on which date it entered liquidation. Upon entering liquidation, Windrush Ventures Limited ceased to be under Group control and is therefore not included in the Group financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

10 DEBTORS

	Group		Company	
	2018	2017	**2018**	2017
	$000	$000	**$000**	$000
Trade debtors	**5,744**	2,071	**5,743**	2,071
Prepayments and accrued income	**1,826**	4,573	**1,787**	4,573
Amounts due from other Group companies	**-**	-	**57**	110
Other debtors	**1,929**	1,967	**1,912**	1,967
	9,499	8,611	**9,499**	8,721
Due within one year	**7,935**	7,095	**7,935**	7,205
Due after more than one year	**1,564**	1,516	**1,564**	1,516
	9,499	8,611	**9,499**	8,721

Other debtors include property rental deposits totalling $1,564,000 (period to 31 December 2017: $1,516,000) which are due after more than one year.

All amounts due from other Group companies are held on an arm's length basis and are receivable on demand with no set repayment date. Interest is not charged on such balances.

11 CREDITORS

	Group		Company	
	2018	2017	**2018**	2017
	$000	$000	**$000**	$000
Trade creditors	**1,740**	1,647	**1,708**	1,647
Accruals and deferred income	**28,563**	18,299	**28,556**	18,299
Taxation and social security	**305**	242	**296**	242
Corporation tax	**44**	218	**-**	218
Other creditors	**1,699**	903	**1,699**	903
	32,351	21,309	**32,259**	21,309
Due within one year	**32,351**	21,309	**32,259**	21,309
Due after more than one year	**-**	-	**-**	-
	32,351	21,309	**32,259**	21,309

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

12 PROVISIONS

Group and Company

	Dilapidations	*Doubtful debts*	*Total*
	$000	*$000*	*$000*
Balance at 1 January 2018	1,079	-	1,079
Revaluation of provision during year	(605)	-	(605)
New provisions in year	-	92	92
Unwinding of discount	10	-	10
Utilisation of provision during period	-	-	-
Balance at 31 December 2018	**484**	**92**	**576**

A provision has been recognised in respect of trade debtors where the probability of recovery is doubtful. The existing provision in respect of reinstatement obligations relating to leasehold properties (i.e. dilapidations) was adjusted during the year following an independent property review performed by external consultants. The balance of the dilapidations provision at 31 December 2018 is the (discounted) present value of the amount expected to be required to settle the obligation at the end of the lease term.

13 LIABILITY OF MEMBER

Tony Blair Institute is a Company limited by guarantee and has no share capital. ACL Blair was the sole subscribing member at 31 December 2018 via the provision of a £1 guarantee. The Articles of Association of Tony Blair Institute provide that no dividends may be paid or capital otherwise returned to its member, nor may any remuneration be paid by Tony Blair Institute to ACL Blair.

14 LEASE COMMITMENTS

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

Group and Company

	2018	*2017*
	$000	*$000*
Not later than one year	**2,224**	2,699
Later than one year and not later than five years	**6,543**	7,031
Later than five years	**5,159**	7,100
	13,926	16,830

During the year, $3,633,000 was recognised as an expense in respect of operating leases (period to 31 December 2017: $3,622,000). These leases relate predominantly to leasehold property, including office premises and accommodation for overseas employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

15 FINANCIAL INSTRUMENTS

(a) Financial assets measured at amortised cost

	Group		*Company*	
	2018	*2017*	***2018***	*2017*
	$000	*$000*	***$000***	*$000*
Trade debtors	**5,744**	2,071	**5,743**	2,071
Amounts due from other Group companies	**-**	-	**57**	110
Accrued income	**872**	3,852	**850**	3,852
Other debtors	**1,929**	1,967	**1,912**	1,967
	8,545	7,890	**8,562**	8,000

(b) Financial liabilities measured at amortised cost

	Group		*Company*	
	2018	*2017*	***2018***	*2017*
	$000	*$000*	***$000***	*$000*
Trade creditors	**1,740**	1,647	**1,708**	1,647
Other creditors	**5,788**	2,780	**5,781**	2,780
	7,528	4,427	**7,489**	4,427

16 RELATED PARTY TRANSACTIONS

The Company charged ACL Blair $200,000 (period to 31 December 2017: $195,000) for office occupancy, communications, logistics, travel and events planning and legal and finance services provided by employees to ACL Blair in his personal capacity. At 31 December 2018 there was a nil balance receivable by the company (2017: $12,000).

Milltown Partners LLP (under the control of a Group director) provides strategic communications advice to Tony Blair Institute. The Company paid Milltown Partners LLP $272,000 (period to 31 December 2017: $132,000) for services rendered. At 31 December 2018 there was a balance payable by the Company of $35,000 (2017: balance receivable of $26,000).

Key management personnel for the year ended 31 December 2018 were the directors of the Group. The remuneration of the directors is disclosed in Note 4 to the Financial Statements. ACL Blair received no remuneration.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

17 PENSION LIABILITY

The Group provides a defined contribution pension scheme for its employees in the UK. The pension cost for the year was $398,000 (period to 31 December 2017: $196,000). Outstanding contributions at 31 December 2018 totalled $31,215 (2017: $21,000).

18 BUSINESS COMBINATIONS

(a) The Tony Blair Faith Foundation

On 1 March 2017 The Tony Blair Faith Foundation (a charitable Company limited by guarantee) transferred staff, activities and certain net assets to Tony Blair Institute (a Company limited by guarantee). No assets or liabilities were transferred during the year to 31 December 2018.

The amounts recognised at the combination date were as follows:

	2018	*2017*
	$000	*$000*
Fixed assets	-	145
Trade and other debtors	-	191
Cash	-	3,416
Trade and other creditors	-	(505)
Total net assets gifted *(note 6)*	**-**	**3,247**

The excess of the assets received over the liabilities assumed was recognised as other financial income in the period to 31 December 2017, representing a gift from The Tony Blair Faith Foundation to Tony Blair Institute. In the period ended 31 December 2017 The Tony Blair Faith Foundation contributed revenue of $939,000 to total turnover (nil in the year to 31 December 2018).

(b) The Tony Blair Governance Initiative

On 1 March 2017 The Tony Blair Governance Initiative (a charitable Company limited by guarantee) transferred staff, activities and certain net assets to Tony Blair Institute (a Company limited by guarantee). No assets or liabilities were transferred during the year to 31 December 2018.

The amounts recognised at the combination date were as follows:

	2018	*2017*
	$000	*$000*
Fixed assets	-	64
Prepayments	-	177
Cash	-	1
Staff loans	-	25
Total net assets gifted *(note 6)*	**-**	**267**

The excess of the assets received over the liabilities assumed was recognised as other financial income in the period to 31 December 2017, representing a gift from The Tony Blair Governance Initiative to Tony Blair Institute. In the period ended 31 December 2017 The Tony Blair Governance Initiative contributed revenue of $3,720,000 to total turnover (nil in the year to 31 December 2018).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018

18 BUSINESS COMBINATIONS (CONTINUED)

(c) Windrush Ventures Limited

Group

On 1 December 2016 Windrush Ventures Limited became a wholly-owned subsidiary of Tony Blair Institute.

The amounts recognised at the combination date were as follows:

	2018	*2017*
	$000	*$000*
Fixed assets	-	558
Trade and other receivables	-	2,237
Cash	-	11,075
Trade and other creditors	-	(5,072)
Merger reserve at 1 December 2016	**-**	**8,798**

Company

On 31 May 2017 Windrush Ventures Limited gifted its assets, liabilities and cash to Tony Blair Institute for nil consideration. This transfer was recognised as income in the period to 31 December 2017.

19 CONTROLLING PARTY

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