

# The Tony Blair Governance Initiative

Annual Report and Financial Statements

28 February 2017

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

Charity Registration Number  
1132422



## **CONTENT**

### **Reports**

Reference and administrative details of the charity, its Trustees and advisers	1
Trustees' report	2
Independent auditor's report	13

### **Financial Statements**

Statement of financial activities	15
Balance sheet	16
Statement of Cash Flows	17
Principal accounting policies	18
Notes to the Financial Statements	20

## 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>	Elizabeth Smith
<b>Registered office</b>	50 Broadway London SW1H 0BL
<b>Correspondence</b>	PO Box 60519 London W2 7JU
<b>Website</b>	<a href="http://www.africagovernance.org">www.africagovernance.org</a>
<b>E-mail</b>	<a href="mailto:enquiries@tb-agi.org">enquiries@tb-agi.org</a>
<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 Bank Plc High Holborn Branch PO BOX 1000 BX1 1LT
<b>Solicitors</b>	Bircham Dyson Bell LLP 50 Broadway London SW1H 0BL

## **Trustees' Report – Period ended 28 February 2017**

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 fourteen months ending 28 February 2017. The accounting reference date has been changed from 31 December to 28 February for administrative purposes. As recorded in the post-balance sheet event note from 1 March 2017 onwards the programmes and activities described in this report were transferred to the new not-for-profit entity the Tony Blair Institute for Global Change; and at the time of publication, in November 2017, the charity is preparing to wind down and cease operations, which we refer to in greater detail in the report.

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 (FRS 102).

### **1. INTRODUCTION**

This report describes AGI's work in 2016/17, what was achieved and the impact this will have on the lives of some of the world's poorest people. We look ahead too to the changes we have implemented in terms of how we support delivery of our programmes and plans to wind down the Charity in early 2018, following transfer of its staff and programmes in March 2017 to a new organisation, the Tony Blair Institute for Global Change.

#### **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 continued to be AGI's focus in the reporting period 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.

### 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 has been 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 the programmes which AGI delivered during the reporting period have been unique and tailored to the needs of our partner governments. In 2016/17 we continued 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.

In 2016/17, as in previous reporting periods, the work of AGI's in-country teams was complemented by the support of AGI's Patron, the Right Honourable Tony Blair, who worked on a *pro bono* basis with the government's leadership to advise on the challenges of leading reform, regularly visiting each country and meeting with the leaders on AGI's behalf.

### 1.3 Where we work

During the period 2016/17 AGI worked in 8 countries across East and West Africa. The countries AGI worked have been selected according to criteria agreed by its Trustees. First, we have only worked 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

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

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 have only worked with governments that are committed to reducing poverty through reform, and where there is strong demand for our support. Third, we have only undertaken projects where our intervention would complement existing development and technical assistance and be carried out in a politically neutral manner.

## **2. ACTIVITIES AND ACHIEVEMENTS**

Our main aim during the period was to deliver impact through the governance programmes in Africa, while considering the future of the programmes in light of the planned organisational change. 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). It is intended that this should be continued within programmes run under new governance arrangements within the Tony Blair Institute for Global Change.
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 during the period. Highlights include:

In **Sierra Leone** we entered into a consortium to support the President's Delivery Team, including on the implementation of the Government's Ebola Recovery Plan. This included new work-streams, such as in the President's Delivery Unit where we supported the Government to implement a new institutional feeding programme, reducing the reliance on imported foods and helping to grow Sierra Leone's agriculture sector.

In **Liberia** the team supported government to put in place foundations for inclusive growth and rebuild the economy, following Ebola. This included working in the Ministry of Agriculture and Commerce in support of the Government's Agricultural Transformation Agenda which aims to promote economic diversification, including through developing a series of value chains in sectors such as rubber value addition, oil palm, cocoa, aquaculture, rice and light manufacturing. We also started working in the Ministry of Education for the first time, as the Government considered how best to address longstanding issues around the quality and accessibility of primary level education.

In **Guinea**, we assisted the Government to strengthen delivery mechanisms for major projects, (including the \$1.4 billion Soupati hydro megaplant) and to develop the energy sector. As part

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

of this, AGI was invited to provide additional support in the Prime Minister's Office. This has involved coordinating with a number of key Ministries, including Finance where the new Minister of Economy and Finance, appointed by President Conde in January 2016, is AGI's former Country Head in Guinea, Malado Kaba.

In **Rwanda** the team was asked to develop its strategic role, supporting the Government with their economic transformation agenda, including a focus on exports diversification in non-traditional sectors such as ICT. In addition, the team continued to offer light-touch support to the Strategic Capacity Building Initiative, which AGI helped to establish, to build its sustainability in the run up to the programme coming to a planned end in 2017.

In **Nigeria** our team concluded its 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, with the first loans expected to be made later in 2017. Through the USAID-funded Power Africa programme AGI continued to work with the Ministry of Energy.

In **Ethiopia** the project focussed support on Government's Growth and Transformation Plan which focuses on industrialisation, creating jobs and lifting people out of poverty, to fulfil the country's vision to become the manufacturing hub of Africa. The team supported the Government's Communications Office to clearly communicate the plan to make Ethiopia an investment destination for manufacturing and helped the Government develop a new private public partnership framework. In addition, advisors worked with Government on addressing the problems caused by the worst drought in 20 years, helping coordinate communications on the drought between donors and the Government.

In **Kenya**, our focus was on support to the President's Delivery Unit, where we worked with the Head of the Unit on implementation systems and developing a process for improving monitoring and evaluation.

In **Mozambique** the team provided support to the Presidency on delivery, including facilitating the introduction of regular delivery meetings and supporting the process for the development of delivery plans for the President's identified priority sectors.

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

Aside from our programmes AGI also worked 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 2016/17 we continued to promote effective government as an important issue throughout in line with our charitable objects. Throughout the period we published a series of documents, *The Art of Delivery*, showcasing ways in which international organisations can better support government delivery. Additionally, our work on supporting partner governments to successfully tackle Ebola was featured in a set of case studies on countries approaches to the response for Princeton University's *Innovations for Successful Societies*.

### **3. ORGANISATIONAL DEVELOPMENT**

In the period 2016/17 AGI implemented programmes, thanks to generous support from our donors to fulfil its mission of improving government effectiveness to reduce poverty.

### **4. FUTURE PLANS**

As referenced in the post balance sheet event note, AGI's existing governance programmes along with the staff who run them, transferred as of 1 March 2017 into the Tony Blair Institute for Global Change, a not for profit company limited by guarantee. Trustees made the decision, having considered a number of options, taking into account the best interests of the staff and programmes, and the delivery of the charitable objects for which AGI was established. This decision took into account legal and regulatory advice. AGI is using its existing reserves to fund and monitor these programmes, in line with its charitable objects, before it is wound up, expected by Q1/2 2018.

### **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 pursued demonstrably for 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 have been 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 28<sup>th</sup> February 2017 and throughout the preceding period were;

*Elizabeth Ann-Lloyd*

*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 support of its Patron the Rt. Hon. Tony Blair. The Patron assisted, 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 promoted the charity and its activities and undertook a significant role in fundraising for the charity, in addition to being a significant personal donor to AGI.

The Patron has not directed 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.

During the reporting period, the Patron decided to establish a new not for profit organisation, The Tony Blair Institute for Global Change and invited the Trustees to consider a proposal to transfer AGI's programmes and operations to TBIGC. The Trustees considered the proposal, as one of a number of options, in detail. Following considerable deliberation, which took into account the best interests of the staff and programmes and the charitable objectives for which AGI was established, Trustees independently took a decision to transfer AGI's operations to TBIGC, as of 1 March 2017.

#### **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.

During the period, the CEO headed AGI's Senior Management and Management Teams. The former comprised the Chief Operating Officer and the Director of External Relations and Development. The wider Management Team also included 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. Following the last biannual review in 2014, a set of further adjustments were made by the Board in 2016. The salaries are set at a reasonable rate, comparable with other NGOs.

Meetings of the Board of Trustees are held usually held approximately quarterly, informed as necessary by recommendations from the CEO. During the period the Trustees met 11 times

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 was 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. We continued to target both restricted donations but also donations to our unrestricted fund during the period.

### *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, during the period AGI's people strategy focused on enhancing professional development for current staff. We also undertook structured discussions and planning around succession for key posts in-country.

### *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 and that steps are taken to manage impact. 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.

As noted, during this period the charity was contemplating the potential of considerable change. Legal, regulatory and financial advice was sought throughout this period.

### **Investment policy**

The charity's investment policy is to hold cash balances in interest bearing accounts with UK and African banks. During the period 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 structural changes AGI was contemplating in 2017 the Trustees agreed that the cash balances of AGI should be held in highly liquid accounts.

## **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.

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 situation of the charity at the period end and the significant reduction in expenditure, the level of free reserves was sufficient.

## **Financial review**

### *Results for the period*

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

Overall income for period was £6,634k, an increase of £957k (17%) from 2015 (£5,677k). The increase was accounted for by a rise in unrestricted income of £1,530k from £2,451k to £3,981k, partially offset by a drop in restricted income of £503k from £3,234k to £2,731k. This reflects the continued delivery of our philanthropic fundraising strategy, continued support from our long term partnerships and the increase in period length. Total expenditure increased by £2,270k to £8,769k; of this total, 96% (93%: 2015) of expenditure (excluding exchange gains and losses on bank balances) 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 £611k (85 %) and £319k (31%) respectively.

## **Going Concern**

The Board of Trustees has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment taking into account the transfer of the charity's staff and activities to the Tony Blair Institute for Global Change from 1 March 2017 and their intention to transfer the charity's remaining funds and cease activities during 2017-8.

Having reviewed the financial position of the charity at the date of approval of these financial statements and the plans for the transfer and closure described above, the Board of Trustees is satisfied that the charity will remain able to pay its debts as they fall due up to the date it is wound up. As the operations have continued following transfer and the charity has remained solvent, no adjustments were required to these financial statements, prepared on a going concern basis.



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

### **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 period ended 28 February 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity'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**

As explained more fully in the statement of trustees' responsibilities set out in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 28 February 2017 and of its income and expenditure, for the fourteen month period 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 period 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.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

30/11/17

## Statement of Financial Activities - Period to 28 February 2017

		Unrestricted funds £000	Restricted funds £000	Period to 28 February 2017 Total funds £000	Year to 31 December 2015 Total funds £000
<b>Income and expenditure</b>					
<b>Income</b>					
Donations and grants		3,898	1,267	5,165	4,591
Charitable activities		-	1,464	1,464	1,080
Interest receivable		5	-	5	6
		<u>3,903</u>	<u>2,731</u>	<u>6,634</u>	<u>5,677</u>
Other recognised gains		78	-	78	8
<b>Total income</b>	1	<u>3,981</u>	<u>2,731</u>	<u>6,712</u>	<u>5,685</u>
<b>Expenditure on:</b>					
Raising funds	2	381	-	381	277
<b>Charitable activities</b> <span style="float: right;">3, 4, 7, 8, 13</span>					
· Enhancing governance projects		4,664	2,590	7,254	5,387
· New and emerging projects		590	141	731	393
· Insight, learning and knowledge sharing projects		403	-	403	442
		<u>6,038</u>	<u>2,731</u>	<u>8,769</u>	<u>6,499</u>
<b>Total expenditure</b>		<u>6,038</u>	<u>2,731</u>	<u>8,769</u>	<u>6,499</u>
Unrealised foreign exchange gain		227	-	227	91
<b>Net (expenditure) and net movement in funds for the year</b>		<u>(1,830)</u>	<u>-</u>	<u>(1,830)</u>	<u>(723)</u>
<b>Reconciliation of funds</b>					
Fund Balances brought forward at 1 January 2016		1,875	-	1,875	2,598
<b>Fund Balances carried forward at 28 February 2017</b>		<u>45</u>	<u>-</u>	<u>45</u>	<u>1,875</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 above two financial periods. However, on 1 March 2017, the staff and activities of AGI were transferred to the Tony Blair Institute, as set out in note 20.

All expenditure on raising funds in 2015 was unrestricted.

**Balance Sheet - 28 February 2017**

	Notes	28 February 2017		31 December 2015	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	9		145		298
<b>Current assets</b>					
Debtors	10	1,366		1,275	
Cash at bank and in hand		1,103		5,690	
		<u>2,469</u>		<u>6,965</u>	
Creditors: amounts falling due within one year	11		<u>(2,569)</u>		<u>(5,388)</u>
<b>Net current (liabilities)/assets</b>			<b>(100)</b>		<b>1,577</b>
<b>Total net assets</b>			<u><b>45</b></u>		<u><b>1,875</b></u>

**Represented by:**

**Funds and reserves**

**Income funds:**

- Restricted funds	12		-		-
- Unrestricted funds:					
- Designated fund ( Rapid Action Fund )	13		-		1,837
- Unrestricted & General funds			45		38
<b>Total net assets</b>	14		<u><b>45</b></u>		<u><b>1,875</b></u>

Company registration number : 06779669

Approved by the Trustees and signed on their behalf by :

Trustee: E. A. L. (ELIZABETH ANN LLOYD)

Approved on: 24-11-17

Statement of Cash Flows - Period to 28 February 2017

	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	(4,582)	(1,584)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	5	6
Purchase of property, plant and equipment	(10)	(273)
Proceeds from sale of investments	-	3
Net cash used in investing activities	(5)	(264)
Change in cash and cash equivalents in the reporting period	(4,587)	(1,848)
Cash and cash equivalents at the beginning of the reporting period	5,690	7,538
Cash and cash equivalents at the end of the reporting period	1,103	5,690

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'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)	(1,830)	(723)
Adjustments for:		
Depreciation charges	146	94
Loss on disposal	17	0
Dividends, interest and rents from investments	(5)	(6)
(Increase)/decrease in debtors	(91)	1,057
Decrease in creditors	(2,819)	(2,006)
Net cash used in operating activities	(4,582)	(1,584)

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
Table B: Analysis of cash and cash equivalents		
Cash at bank and in hand	1,103	5,690
Total cash and cash equivalents	1,103	5,690

## Principal Accounting Policies - Period to 28 February 2017

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

These financial statements have been prepared for the 14 month period to 28 February 2017 with comparative information provided in respect to 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 Companies Act 2006.

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 pounds.

### ***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.

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. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

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.

All expenditure is stated exclusive of irrecoverable VAT.

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

All tangible fixed assets costing more than £1,200 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 - Period to 28 February 2017**

### ***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.

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

The Board of Trustees has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment taking into account the transfer of the charity's staff and activities to the Tony Blair Institute for Global Change from 1 March 2017 and their intention to transfer the charity's remaining funds and cease activities during 2017-18.

Having reviewed the financial position of the charity at the date of approval of these financial statements and the plans for the transfer and closure described above, the Board of Trustees is satisfied that the charity will remain able to pay its debts as they fall due up to the date it is wound up. As the operations have continued following transfer and the charity has remained solvent, no adjustments were required to these financial statements, prepared on a going concern basis.

### ***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 period end (2015 - none). The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

## Notes to the accounts

### 1 Voluntary Income

	Unrestricted Funds £'000	Restricted Funds £'000	Period to 28 February 2017 Total Funds £'000
Income			
. Grants	3,296	1,267	4,563
. Donations	602	-	602
. Charitable activities	-	1,464	1,464
. Interest receivable	5	-	5
. Other recognised gains	78	-	78
<b>Total period to 28 February 2017</b>	<b>3,981</b>	<b>2,731</b>	<b>6,712</b>

			Year to 31 December 2015
Income			
. Grants	-	2,154	2,154
. Donations	2,437	-	2,437
. Charitable activities	-	1,080	1,080
. Interest receivable	6	-	6
. Other recognised gains	8	-	8
<b>Total year ended to 31 December 2015</b>	<b>2,451</b>	<b>3,234</b>	<b>5,685</b>

### 2 Cost of raising funds

	Direct costs £000	Support costs ( note 4 ) £000	Period to 28 February 2017 Total funds £'000	Year to 31 December 2015 Total funds £'000
Cost of generating funds				
. Staff costs	206	2	208	118
. Premises costs	25	-	25	13
. Operational costs	146	2	148	146
<b>Total</b>	<b>377</b>	<b>4</b>	<b>381</b>	<b>277</b>

### 3 Charitable activities

	Direct costs	Support costs ( note 4 )	Period to 28 February 2017 funds	Year to 31 December 2015 funds
	£000	£000	£'000	£'000
<i>Rwanda</i>				
. Staff costs	573	6	579	376
. Premises costs	25	1	26	5
. Operational costs	590	6	596	380
	<u>1,188</u>	<u>13</u>	<u>1,201</u>	<u>761</u>
<i>Sierra Leone</i>				
. Staff costs	826	9	835	617
. Premises costs	34	1	35	6
. Operational costs	810	8	818	649
	<u>1,670</u>	<u>18</u>	<u>1,688</u>	<u>1,272</u>
<i>Liberia</i>				
. Staff costs	669	7	676	521
. Premises costs	28	1	29	4
. Operational costs	630	7	637	498
	<u>1,327</u>	<u>15</u>	<u>1,342</u>	<u>1,023</u>
<i>Guinea</i>				
. Staff costs	197	2	199	264
. Premises costs	11	-	11	2
. Operational costs	211	2	213	280
	<u>419</u>	<u>4</u>	<u>423</u>	<u>546</u>
<i>Power Africa</i>				
. Staff costs	544	6	550	360
. Premises costs	19	1	20	13
. Operational costs	448	6	454	379
	<u>1,011</u>	<u>13</u>	<u>1,024</u>	<u>752</u>
<i>Nigeria</i>				
. Staff costs	91	1	92	114
. Premises costs	5	-	5	0
. Operational costs	146	1	147	198
	<u>242</u>	<u>2</u>	<u>244</u>	<u>312</u>
<i>Ethiopia</i>				
. Staff costs	493	6	499	312
. Premises costs	64	-	64	51
. Operational costs	765	4	769	358
	<u>1,322</u>	<u>10</u>	<u>1,332</u>	<u>721</u>
<i>Insight, learning and knowledge sharing</i>				
. Staff costs	234	2	236	230
. Premises costs	26	-	26	98
. Operational costs	138	3	141	114
	<u>398</u>	<u>5</u>	<u>403</u>	<u>442</u>
<i>New &amp; emerging projects</i>				
. Staff costs	324	4	328	148
. Premises costs	9	-	9	1
. Operational costs	391	3	394	244
	<u>724</u>	<u>7</u>	<u>731</u>	<u>393</u>
<b>Total</b>	<b><u>8,301</u></b>	<b><u>87</u></b>	<b><u>8,388</u></b>	<b><u>6,222</u></b>

### 3 Charitable activities (continued)

	Period to 28 February 2017			Year to 31 December 2015		
	Unrestricted £000	Restricted £000	Total funds £'000	Unrestricted £000	Restricted £000	Total funds £'000
<i>Rwanda</i>						
. Staff costs	21	558	579	133	243	376
. Premises costs	1	25	26	2	3	5
. Operational costs	54	542	596	134	246	380
	76	1,125	1,201	269	492	761
<i>Sierra Leone</i>						
. Staff costs	451	384	835	203	414	617
. Premises costs	19	16	35	2	4	6
. Operational costs	462	356	818	214	435	649
	932	756	1,688	419	853	1,272
<i>Liberia</i>						
. Staff costs	676	-	676	191	330	521
. Premises costs	29	-	29	2	3	5
. Operational costs	637	-	637	182	315	497
	1,342	-	1,342	375	648	1,023
<i>Guinea</i>						
. Staff costs	199	-	199	73	191	264
. Premises costs	11	-	11	1	1	2
. Operational costs	213	-	213	79	201	280
	423	-	423	153	393	546
<i>Power Africa</i>						
. Staff costs	156	394	550	86	274	360
. Premises costs	6	14	20	3	10	13
. Operational costs	153	301	454	91	288	379
	315	709	1,024	180	572	752
<i>Nigeria</i>						
. Staff costs	92	-	92	114	-	114
. Premises costs	5	-	5	0	-	-
. Operational costs	147	-	147	198	-	198
	244	-	244	312	-	312
<i>Ethiopia</i>						
. Staff costs	499	-	499	312	-	312
. Premises costs	64	-	64	51	-	51
. Operational costs	769	-	769	358	-	358
	1,332	-	1,332	721	-	721
<i>Insight, learning and knowledge sharing</i>						
. Staff costs	236	-	236	102	128	230
. Premises costs	26	-	26	43	55	98
. Operational costs	141	-	141	50	64	114
	403	-	403	195	247	442
<i>New &amp; emerging projects</i>						
. Staff costs	263	65	328	91	57	148
. Premises costs	7	2	9	-	-	-
. Operational costs	320	74	394	150	95	245
	590	141	731	241	152	393
	<b>5,657</b>	<b>2,731</b>	<b>8,388</b>	<b>2,865</b>	<b>3,357</b>	<b>6,222</b>

#### 4 Support costs

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

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
. Staff costs	45	59
. Premises costs	4	10
. Operational costs	42	50
	<u>91</u>	<u>119</u>

#### 5 Governance costs

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
. Auditor's remuneration	23	16
. Staff costs	30	24
	<u>53</u>	<u>40</u>

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

This is stated after charging :

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
Staff costs	4,232	3,060
Auditor's remuneration		
. Statutory audit and other services	23	16
Lease payments	93	78
Depreciation	159	94

#### 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:

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
Employees		
. Wages and salaries	3,596	2,510
. Social security costs	156	157
. Other employment costs	336	200
	<u>4,088</u>	<u>2,867</u>
Secondees, Consultants and Sub-contractors	144	193
<b>Total employment costs</b>	<u><b>4,232</b></u>	<u><b>3,060</b></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. Secondees, consultants and subcontractor costs of £144k (2015: £193k) incurred during the period by the charity in furtherance of its charitable activities are included in total staff costs.

Staff costs analysed by activity were as follows:

	Period to 28 February 2017 £'000	Year to 31 December 2015 £'000
Costs of generating funds	208	94
Charitable activities :		
. Rwanda	579	376
. Sierra Leone	835	617
. Liberia	676	521
. Guinea	199	264
. Power Africa	550	360
. Nigeria	92	114
. Ethiopia	499	312
. Insight, learning and knowledge sharing	236	230
. New and emerging projects	328	148
Governance of the charity	30	24
	<u>4,232</u>	<u>3,060</u>

## 7 Employee and staff costs ( continued )

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

	Period to 28 February 2017			Year to 31 December 2015
	Employees Number	Secondees / Subcontractors Number	Total Number	Total Number
Raising funds	2.4	-	2.4	1.5
Charitable activities				
. Rwanda	8.3		8.3	6.5
. Sierra Leone	11.2	1.0	12.2	10.7
. Liberia	9.7	0.6	10.3	9.2
. Guinea	2.9	-	2.9	4.8
. Power Africa	8.4	-	8.4	5.6
. Nigeria	1.4	-	1.4	1.9
. Ethiopia	6.8	-	6.8	5.9
. Insight, learning and knowledge	3.8	-	3.8	4.0
. New and emerging projects	4.6	-	4.6	2.8
Governance of the charity	0.4	-	0.4	0.5
Total	<u>59.9</u>	<u>1.6</u>	<u>61.5</u>	<u>53.4</u>

As of 28 February 2017 AGI had 60 employees (December 2015 : 52) and 1 secondees and subcontractors (December 2015 : 2).

During the period there was one employee who earned between £100,000 - £109,999 (2015: 0), four who earned between £80,000 - £89,999 (2015 : 1) , six who earned between £70,000 - £79,999 (2015: 1) and six who earned between £60,000 - £69,999 (2015: 7) (including taxable benefits but excluding employer pension contributions).

If the earnings for the period were prorated over twelve months the comparable disclosure would be. There was one employee who earned between £80,000-89,999 (2015: 1), three who earned between £70,000-£79,000 (2015: 1), and eight who earned between £60,000-£69,000 (2015: 7).

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 and employer's pension contributions) of the key management personnel for the period was £290k (2015: £367k).

None of the trustees received any remuneration in respect of their services during the period. No trustee was reimbursed in the period ( 2015 : 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.

On the 23 May 2016 the charity registered for VAT and from that date is able to reclaim VAT. Irrecoverable VAT suffered during the period amounted to £107k (2015 : £ 200k).



## 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 2016 £'000	Income £'000	Expenditure £'000	At 28 February 2017 £'000
Rwanda	-	1,125	(1,125)	-
Sierra Leone	-	756	(756)	-
Mozambique	-	141	(141)	-
Power Africa	-	709	(709)	-
	-	2,731	(2,731)	-

## 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 2016 £'000	New designation £'000	Utilised/ released £'000	At 28 February 2017 £'000
Rapid Action Fund	1,837	-	(1,837)	-

## 14 Analysis of net assets between funds

	Restricted funds £'000	Designated funds £'000	Unrestricted funds £'000	At 28 February 2017 Total funds £'000	At 31 December 2015 Total funds £'000
Fund balances at 28 February 2017 are represented by :					
Tangible fixed assets	25	-	120	145	298
Net current (liabilities)/assets	(25)	-	(75)	(100)	1,577
Total net assets	-	-	45	45	1,875

## 15 Operating leases

The total amount of future minimum lease payments under non-cancellable operating leases in respect to land and buildings is as follows.

	At 28 February 2017	At 31 December 2015
Not later than one year:	50	85
Later than one year and not later than five years:	-	64
	50	149

## 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 period the charity received £497,113 (2015: £2,108,623) from The Tony Blair Governance Initiative - US. The funds were to be used for Rapid Action Fund 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 charge for the period represents contributions payable by the charity to the scheme and amounted to £52k (2015: £27k).

### **20 Post balance sheet event**

With effect from 1 March 2017, the staff and activities of AGI, along with some non-financial assets, were transferred to the Tony Blair Institute for Global Change (TBIGC), a public company limited by guarantee.

The remainder of AGI's assets were retained by the charity and are being used to fund programmes that were previously run by AGI, by means of a grant, paid in arrears. Trustees have put in place monitoring and reporting arrangements to ensure that the requests for grant funding are appropriate and are used in accordance with AGI's charitable objects.

It is intended that the Charity will be dissolved, once its financial assets have been expended. This is anticipated by Q1 of 2018.

Trustees took the decision to transfer AGI's operations to TBIGC, as of 1 March 2017, independently and following considerable deliberation, which took into account the best interests of the staff and programmes and the charitable objectives for which AGI was established. In doing so they sought legal and regulatory advice, including through S.110 of the Charity's Act 2011.