Registered No. 10505963

TONY BLAIR INSTITUTE

(A Company Limited by Guarantee)

Report and Financial Statements

For the 13 months ended 31 December 2017

Tony Blair Institute
Registered No. 10505963

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GROUP INFORMATION

DIRECTORS

ACL Blair
CJ Rimmer
FGL Bouvard
DJ Collins
DN Lyon

AUDITORS

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

REGISTERED OFFICE

50 Broadway
London
SW1H 0BL

STRATEGIC REPORT

The directors present their Strategic Report for the period ended 31 December 2017.

REVIEW OF THE INSTITUTE'S ACTIVITIES

Tony Blair Institute is a not for profit organisation founded with the ambition to help make globalisation work for the many, not the few. We do this by helping countries, their people and their governments address some of the most difficult challenges in the world today. The Institute merged the organisations Tony Blair (ACL Blair throughout the rest of the Financial Statements) established after stepping down as the Prime Minister of Great Britain and Northern Ireland – The Tony Blair Governance Initiative (AGI) and The Tony Blair Faith Foundation (TBFF) – along with his work on the Middle East Peace Process and a new element: Renewing the Centre; and saw the winding down of Tony Blair Associates, Mr Blair's commercial entities, and the transfer of their reserves into the new not for profit.

The intention of this was to scale up and expand these activities and re-orient the mission to reflect the overlap between extremism, governance, the Middle East and the policies needed to fight back against populism in the West. They are all key to peace and prosperity, and they are all interrelated. Countries will not develop where extremism flourishes. Without peace in the Middle East, grievances will continue to fester and conflict spill-over to other countries. Those seeking refuge have also been used by populists to whip up anger in the West – and the centre-ground has to find a way to deal with this issue and renew a politics of hope and optimism, not fear and pessimism.

We are non-party political, but our approach to all of these issues is based on the belief that the only future that works is one driven by an open-minded approach, and an understanding that globalisation is driven primarily by people. The focus of policy, therefore, should not be about creating barriers, but on evidence-based solutions to ensure that the opportunities that technology and the mobility of capital, people and ideas bring, work for everyone.

This is our first set of annual accounts after a complex merger of institutions, which included the transfer of reserves and staff from the AGI, TBFF and Windrush Ventures Limited (WVL). We have committed significant resources in our recruitment and invested in staff, opened a new office in London and developed a new infrastructure. The accounts show a robust platform to build upon: our finances are strong and having invested to establish the Institute during this period, we are confident in its prospects for the future. The accounts also signal the scope and breadth of the work we do around the world today.

OUR PEOPLE

The accounts show an average total of 168 permanent and locally-employed staff in 2017. The total permanent and locally-contracted staff figure at the end of July 2018 is 221, many of whom are based in Africa, as well as in our offices in the United States, United Arab Emirates, Israel and Serbia. As an organisation that has a strong commitment to diversity across all its operations, we are pleased to say that 55% of our employees are women, with many in senior positions including the Chief Executive Officer and Chief Operations Officer. We also employ staff from around 35 different nationalities, and in total, we work in more than 30 countries.

OUR WORK AND OBJECTIVES

The geographical spread of our staff reflects the extent of our mission: our work covers some of the greatest and most difficult challenges that leaders face in the era of globalisation.

On Governance, we work alongside partner governments to build their capability and improve living standards for their people, with projects in 14 African countries, whose combined population exceeds 460 million. Long-standing projects include Ethiopia, Guinea, Kenya, Mozambique, Nigeria, Rwanda as well as Sierra Leone and Liberia, who both, having been through elections this year and changes of government, have renewed their projects with us. Since we announced the Institute, we have also added projects including: Sao Tome and Principe, The Gambia, Togo, Ghana and Senegal. Our partnerships with these countries focus on driving economic reform, strengthening the private sector and business environment, building key infrastructure and improving the delivery of public services to people in some of the world's poorest nations. Some of our key achievements across the projects this year include: assisting democratic transitions in countries such as Sierra Leone; continuing to implement a Rural Electrification strategy in Rwanda, which will increase access to 500,000 households by 2020; and helping to develop Ethiopia's pharmaceutical strategy and approach to four new industrial parks designed to create 50,000 jobs. Tony Blair has been to Africa seven

STRATEGIC REPORT (CONTINUED)

OUR WORK AND OBJECTIVES (CONTINUED)

times since the Institute was established, visiting all of the countries where we have projects, often on multiple occasions.

Our Governance work is primarily programmatic, but with Tony Blair providing leader to leader advice and by embedding expert advisors in governments – and importantly, to help them implement their own visions for development – we provide a unique service. In addition to in-country projects, we have produced reports examining: how governments in Africa can adopt modern industrial policy to ensure that a rapidly growing youth population has opportunities; and how the complex set of challenges in the Sahel region of Africa, which span governance and extremism, require a new comprehensive strategy to develop some of the world's most fragile states.

Our Co-existence work also goes from strength to strength. On religious extremism, we believe it is essential to tackle the ideology behind the violence and not simply the violence itself. Our efforts in this area include ground-breaking and innovative research, which falls into three themes: the interaction of religion, ideology and violence in Islamist extremism; the relationship between violent and nonviolent Islamist extremism; and counter-narratives to Islamist extremism. Some of our key reports this year included the Struggle over Scripture, which used Natural Language Processing analysis to look at the overlap of extremist and non-extremist interpretations of theology, as well as For Caliph and Country, which explored what connects jihadis from across the UK and how they made their journey into jihadism. In addition to Co-existence research, we have three pioneering programmes: Generation Global, Compass and Supporting Leaders. Generation Global is our schools programme which brings evidence-based teaching to teachers and students aged 12 to 17 to create open minds and encourage critical thinking. By providing global learning and dialogue opportunities, the programme helps young people to be resolute in the face of narratives that may feed the development of extremist ideologies. This programme was proven to be an "inoculation against extremist violence," according to an Independent Study by Exeter University. Generation Global currently has schools registered in 55 countries, including in some of the most challenging regions. Last year alone it reached more than 73,000 students, in countries such as Pakistan, Jordan and Indonesia. Compass is a pilot project based in four schools in three East London boroughs that aims to build more inclusive societies resilient to division and destructive ideologies. Through partnerships with secondary schools, universities and a network of 36 volunteer mentors from UK businesses, in its second pilot year Compass supported 98 young women in communities affected by inequality, deprivation, hate crime and extremism to broaden and realise their aspirations, while exploring issues of identity and belonging. It has proven successful, and we are planning to expand the project to a fourth London borough in 2019. Supporting Leaders builds community resilience to extremist narratives in sub-Saharan Africa by working with trusted religious leaders to understand and respond to drivers of conflict and violence in their communities. Through a cascade training model, Supporting Leaders grows local capacity of these leaders to identify and tackle religious extremism through effective counter-narratives and practical inter-religious community action. Last year we trained 34 local trainers and 65 Muslim and Christian leaders, who stepped down training to a further 91 community leaders in northeast Nigeria, and we plan on replicating the successful model in Kenya in 2019 to support female religious leaders.

In the Middle East, our team engages with Israeli and Palestinian leaders and key officials, influential regional actors, diplomatic missions and multinational institutions, to inform and guide thinking and decision-making. We develop and advocate for practical recommendations on the peace process and to improve the economic, political and humanitarian realities on the ground in the West Bank and Gaza. Indeed, Gaza has been a major focus of our work over the reporting period, and the team works with key partners in the international community, as well as Israel and Palestinians, on the measures that must to be taken to avoid further violence, and improve the situation in Gaza. This includes working with the Israeli and Egyptian authorities, the international community, and with relevant Gaza-based counterparts on specific measures on e.g. energy, water, trade, and crossings that could alleviate conditions in Gaza, while ensuring security needs are met. The team also focuses on efforts aimed at allowing for renewed and credible discussions between the Palestinian and Israeli governments, including on pressing issues related to the economic and fiscal stability of the Palestinian Authority, as well as working with the sides on ideas to boost the Palestinian economy. Tony Blair visits the region often, in the period of these accounts, he visited Israel and Palestine 14 times. Our approach is based on a belief that there is a unique window of opportunity for a new regional approach with the new Middle East leadership. This is why in addition to our presence in Israel, East Jerusalem and the UAE, we also work to support the change programme in Saudi Arabia. Tony Blair believes that the country's modernisation programme is the single most important development in the Middle East in terms of governance, and will be vital for peace.

STRATEGIC REPORT (CONTINUED)

OUR WORK AND OBJECTIVES (CONTINUED)

The newest aspect of our work is on the centre-ground of policy. The focus of Renewing the Centre work is on tackling the big policy challenges that globalisation presents in the West, revitalising liberal democracy and combating populism. This work is founded on the belief that the new populism may differ in some respects between left and right, but there is convergence between them, especially around isolationism and protectionism, in what is an essentially closed-minded approach to globalisation. As Tony Blair outlined when we launched the Institute, this is not a think tank, but a non-party platform that aims to both inform and support those in the active frontline of politics, across political parties, as well as provide radical but sensible answers to people's concerns. Since its inception, it has in part focussed on the European debate, not least as Brexit encapsulates so many of the issues upending politics across the West. But it is also broader: a huge thrust of the work is driven by the belief that technology has transformative potential in the modern economy. One of the initial reports we produced was a modern technology programme to transform government and society in the 21st century. Analysis into the role of AI, Machine Learning, digital ledgers such as Blockchain, as well as how to think about their regulation, will be produced in the future. Other key first reports have also encompassed a progressive policy platform for immigration, as well as a new agenda for housing; an issue that is fuelling the inequality and living standards debate in many Western countries.

For a new organisation, we are growing quickly and are building upon our successes in our first year. We are grateful and encouraged by the support of all our donors. They include philanthropists, foundations, governmental donors, corporates and clients. In addition to the gift from Tony Blair, examples of our other donors include: the Bill and Melinda Gates Foundation; USAID; the US State Department; the Canadian Government; a number of African governments; the Victor Pinchuk Foundation; the GHR Foundation; the European Council of Tolerance and Reconciliation; and, as reported, MIL. Many generous individuals have also given their support.

Developing partnerships on specific projects and in the long-term, will also be vital to achieving our goals and learning. Across all the areas of our work, the Institute partners formally and informally, often through joint convening, with a variety of external stakeholders for example think-tanks such as the Atlantic Council in Washington DC; ACET in Accra, Ghana; ODI in the UK. We started work in collaboration with academic institutions such as the J-PAL at MIT; the Blavatnik School of Government at Oxford University; the University of Exeter Graduate School of Education; and Princeton.

The nature of our work is often sensitive, but in essence we support the countries and leaders we believe to be reformers, who are trying to transform their countries or wider regions for the betterment of their people. This reflects a fundamental driving mission to improve people's lives within the countries we operate, but also the wider world. All of our work threads together through this theme of making globalisation work for the many, and it is all interrelated. Globalisation is a fact that it is driven by people. Technology is connecting and changing the world at an accelerating rate and those who will succeed will be those that harness the opportunities that it brings. This pace of change brings fresh challenges and as a result the future is currently being contested. But it would be a mistake for policy-makers to turn inwards. From removing the poison of extremism to halting the march of populists, we believe in a more open, prosperous global society, in which politicians don't simply just ride the anger for the sake of power, but provide answers for the purpose of peace and prosperity. This is what we are trying to do, and with our unique and wide network of relationships around the world, we fully expect to build on the platform we have established. In all the areas we work we are providing new and innovative solutions and we expect to expand on each of these areas in the coming years.

Tony Blair, Executive Chairman of the Institute, receives no remuneration for his work at the Institute, for which he devotes at least 80% of his time.

By order of the board

CJ Rimmer
Director
20 August 2018

DIRECTORS' REPORT

The directors present their report and financial statements for the 13 months ended 31 December 2017.

REVIEW OF THE BUSINESS

A review of the business has been provided in the Strategic Report on pages 2 to 4.

DIRECTORS

The directors who held office during the period were as follows:

ACL Blair	*(appointed 1 December 2016)*
CJ Rimmer	*(appointed 13 February 2017)*
JS Searancke	*(appointed 13 February 2017, resigned 30 June 2017)*
FGL Bouvard	*(appointed 12 December 2017)*
DJ Collins	*(appointed 1 August 2017)*
DN Lyon	*(appointed 13 February 2017)*

POLITICAL CONTRIBUTIONS

The Group made no political contributions in the period.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

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.

AUDITORS

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

CJ Rimmer
Director
20 August 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period ended 31 December 2017 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 2017 and of the Group's deficit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Going Concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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:

- 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 period 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.

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

Directors' Responsibilities

As explained more fully in their statement set out on page 6, 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 member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

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

22nd August 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 13 months ended 31 December 2017

	Notes	***2017***
		$000
TURNOVER	*2*	**34,844**
Administrative expenses		(40,909)
OPERATING DEFICIT	*3*	**(6,065)**
Interest receivable and similar income	*6*	105
Other financial income	*7*	3,514
DEFICIT BEFORE TAXATION		**(2,446)**
Tax charge on deficit on ordinary activities	*8*	(588)
DEFICIT FOR THE FINANCIAL PERIOD		**(3,034)**
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE DEFICIT		**(3,034)**

The notes on pages 15 to 29 form an integral part of these consolidated financial statements.

All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Notes	***2017*** ***$000***
FIXED ASSETS		
Tangible Assets	*9*	2,395
CURRENT ASSETS		
Debtors *(including $1,516,000 due after more than one year)*	*11*	8,611
Cash at bank and in hand	*12(b)*	17,146
TOTAL CURRENT ASSETS		25,757
CREDITORS: Amounts falling due within one year	*13*	(21,309)
NET CURRENT ASSETS		**4,448**
TOTAL ASSETS LESS CURRENT LIABILITIES		6,843
PROVISIONS FOR LIABILITIES AND CHARGES	*14*	(1,079)
NET ASSETS		**5,764**
RESERVES		
Merger Reserve	*20(c)*	8,798
Profit and Loss Account		(3,034)
TOTAL RESERVES		**5,764**

The notes on pages 15 to 29 form an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on 20 August 2018 and were signed on its behalf by:

Catherine Rimmer

C J Rimmer
Director

Registered no. 10505963

COMPANY STATEMENT OF FINANCIAL POSITION
At 31 December 2017

	Notes	***2017*** ***$000***
FIXED ASSETS		
Tangible Assets	*9*	2,395
CURRENT ASSETS		
Debtors *(including $1,516,000 due after more than one year)*	*11*	8,721
Cash at bank and in hand	*12(b)*	17,146
TOTAL CURRENT ASSETS		25,867
CREDITORS: Amounts falling due within one year	*13*	(21,309)
NET CURRENT ASSETS		**4,558**
TOTAL ASSETS LESS CURRENT LIABILITIES		6,953
PROVISIONS FOR LIABILITIES AND CHARGES	*14*	(1,079)
NET ASSETS		**5,874**
RESERVES		
Profit and Loss Account		5,874
TOTAL RESERVES		**5,874**

The surplus for the period dealt with in the financial statements of the Parent Company was $5,874,000.

The notes on pages 15 to 29 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 20 August 2018 and were signed on its behalf by:

Catherine Rimmer

C J Rimmer
Director

Registered no. 10505963

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 13 months ended 31 December 2017

	Merger Reserve	*Profit and Loss Account*	*Total Equity*
	$000	*$000*	*$000*
At 1 December 2016	-	-	-
Reserve arising on merger on 1 December 2016 *(note 20 (c))*	8,798	-	8,798
Deficit for the period	-	(3,034)	(3,034)
At 31 December 2017	**8,798**	**(3,034)**	**5,764**

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 20 (c).

COMPANY STATEMENT OF CHANGES IN EQUITY

For the 13 months ended 31 December 2017

	Profit and Loss Account *$000*	***Total Equity*** ***$000***
At 1 December 2016	-	-
Surplus for the period	5,874	5,874
At 31 December 2017	**5,874**	**5,874**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the 13 months ended 31 December 2017

	Notes	2017 $000
NET CASH INFLOW FROM OPERATING ACTIVITIES	*12(a)*	**5,132**
INVESTING ACTIVITIES		
Interest received	*6*	105
Payments to acquire fixed assets	*9*	(2,583)
Acquisition of subsidiary	*20(c)*	11,075
NET CASH FLOW FROM INVESTING ACTIVITIES		**8,597**
FINANCING ACTIVITIES		
Charitable gift received	*20(a)*	3,416
Charitable gift received	*20(b)*	1
NET CASH FLOW FROM FINANCING ACTIVITIES		**3,417**
INCREASE IN CASH AND CASH EQUIVALENTS		**17,146**
NET CASH & CASH EQUIVALENTS AT 1 DECEMBER 2016		**-**
NET CASH & CASH EQUIVALENTS AT 31 DECEMBER 2017	*12(b)*	**17,146**

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2017

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 2017.

Basis of Preparation

The financial statements were authorised for issue by the Board of Directors on 20 August 2018.

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 and rounded to the nearest $000 for the period presented.

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:

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

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2017. 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 but did not trade during 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

The period ended 31 December 2017 represents the first period of account for Tony Blair Institute. During this period costs relating to the establishment of the Institute have been incurred which have contributed to the reported deficit. After a rigorous analysis of the Group and future forecast projections the Group is financially healthy. At 31 December 2017 the Group had net current assets of $4,448,000 including cash balances of $17,146,000. 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, they have adopted the going concern concept of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 December 2017

1 ACCOUNTING POLICIES (CONTINUED)

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.

Where there are indicators of impairment of trade and other receivables, the Group performs an impairment review based on the aging of the individual balances outstanding and taking into account the probability of non-payment by the debtors.

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 December 2017

1 ACCOUNTING POLICIES (CONTINUED)

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 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 deficit 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)
At 31 December 2017

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 as a result of 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)
At 31 December 2017

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)
At 31 December 2017

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:

	2017
	$000
Africa	9,332
Europe	14,876
Middle East	10,636
	34,844

3 OPERATING DEFICIT

Operating deficit is stated after charging:

	2017
	$000
Operating lease rentals:	
- Land & buildings (global)	2,796
- Other equipment	826
Depreciation of tangible fixed assets *(note 9)*	880
Foreign exchange losses	557
	5,059

Auditor's remuneration:

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

4 DIRECTORS REMUNERATION

The Group currently has five directors including ACL Blair who does not receive any remuneration from the Group for his services.

The remaining four directors of the Parent Company are also directors of associated undertakings and received a total remuneration for the period of $621,000. The total remuneration was paid by the Parent Company as all related to services provided by the Parent Company.

	2017
	$000
Aggregate remuneration[1]	617
Sums paid to third parties for directors' services	4
Total	**621**

[1] No directors were members of a pension scheme during the period.

The remuneration for the highest paid director was $324,000 and no pension contributions were made in the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

5 STAFF COSTS

The average number of persons permanently and locally-employed by the Group (including directors) during the period, analysed by category, were as follows:

	2017
	Number
Governance	73
Initiative for the Middle East	7
Co-existence	30
Renewing the Centre	7
Communications	4
Financial management & reporting, legal, risk & compliance	15
People, development & training	7
Administrative support	7
Technology & infrastructure	7
Stakeholder relations & engagement	7
Fundraising	4
Total	**168**

Employment costs of all employees of the Group comprised:

	2017
	$000
Wages and salaries	14,765
Social security costs	813
Pension costs	196
	15,774

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

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2017
	$000
Bank interest received	105
	105

7 OTHER FINANCIAL INCOME

	2017
	$000
Gain on gift from The Tony Blair Faith Foundation *(note 20 (a))*	3,247
Gain on gift from The Tony Blair Governance Initiative *(note 20 (b))*	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 staff, activities and certain net assets to 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

8 TAX ON DEFICIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the period

	Group 2017 $000
UK Taxation	
UK Corporation tax	338
Foreign Taxation	
Foreign taxation	250
Total current tax charge	**588**
UK Deferred tax	
Originating and reversal of timing differences	-
Total deferred tax	-
Total tax charge on deficit on ordinary activities	**588**

(b) Factors affecting total tax charge

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

	Group 2017 $000
Deficit for the period	(2,446)
Deficit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.3%	(472)
Effect of:	
Originating and reversal of timing differences	115
Non-deductible expenses	145
Non-taxable income	(678)
Other timing differences	(91)
Foreign tax	250
Deferred tax asset not recognised	1,165
Effect of tax rate differences	154
Total tax charge for the period	**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 17% effective from 1 April 2020 has also been substantively enacted on 6 September 2016. This will reduce the Group's total current tax charge accordingly. The unrecognised deferred tax asset at 31 December 2017 has been calculated based on these rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

9 TANGIBLE ASSETS

Group

	Leasehold improvements	*Plant and equipment*	*Fixtures and fittings*	*Total*
	$000	***$000***	***$000***	***$000***
Cost				
At 1 December 2016	-	-	-	-
Additions	2,062	224	297	2,583
Acquisition through business combination	473	1,388	615	2,476
Disposals	(487)	(1,014)	(552)	(2,053)
At 31 December 2017	**2,048**	**598**	**360**	**3,006**
Depreciation				
At 1 December 2016	-	-	-	-
Charge for period	(395)	(305)	(180)	(880)
Acquisition through business combination	(298)	(1,054)	(357)	(1,709)
Disposals	487	1,025	466	1,978
At 31 December 2017	**(206)**	**(334)**	**(71)**	**(611)**
Net book value				
At 1 December 2016	-	-	-	-
At 31 December 2017	**1,842**	**264**	**289**	**2,395**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 December 2017

9 TANGIBLE ASSETS (CONTINUED)

Company

	Leasehold improvements	*Plant and equipment*	*Fixtures and fittings*	*Total*
	$000	***$000***	***$000***	***$000***
Cost				
At 1 December 2016	-	-	-	-
Additions	2,048	186	288	2,522
Acquisition through business combination	487	1,426	624	2,537
Disposals	(487)	(1,014)	(552)	(2,053)
At 31 December 2017	**2,048**	**598**	**360**	**3,006**
Depreciation				
At 1 December 2016	-	-	-	-
Charge for period	(206)	(190)	(152)	(548)
Acquisition through business combination	(487)	(1,169)	(385)	(2,041)
Disposals	487	1,025	466	1,978
At 31 December 2017	**(206)**	**(334)**	**(71)**	**(611)**
Net book value				
At 1 December 2016	-	-	-	-
At 31 December 2017	**1,842**	**264**	**289**	**2,395**

10 INVESTMENTS

The Parent Company is the sole member of Tony Blair Institute For Global Change, LLC which is incorporated in Delaware, in the United States of America. 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 period ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

11 TRADE AND OTHER DEBTORS

	Group	*Company*
	2017	*2017*
	$000	*$000*
Trade debtors	2,071	2,071
Prepayments	721	721
Accrued income	3,852	3,852
Amounts due from other Group companies	-	110
Other debtors[1]	1,967	1,967
	8,611	**8,721**

[1] Other debtors include property rental deposits totalling $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 which are receivable on demand with no set repayment date. Interest is not charged on such balances.

12 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash inflow from operating activities

	Group and Company
	2017
	$000
Operating deficit	(6,065)
Add back depreciation *(note 9)*	880
Increase in provisions	1,079
Increase in debtors	(5,981)
Increase in creditors	15,322
Loss on disposal of fixed assets	75
Taxation paid	(178)
Net cash inflow from operating activities	**5,132**

(b) Analysis of net funds

	At 1 December 2016	*Cash flow*	*Other non-cash changes*	*At 31 December 2017*
	$000	*$000*	*$000*	*$000*
Cash at bank and in hand	-	17,146	-	**17,146**
	-	**17,146**	-	**17,146**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

13 CREDITORS: AMOUNTS FALLING DUE WITHIN IN ONE YEAR

	Group and Company *2017* *$000*
Trade creditors	1,647
Accruals and deferred income	18,299
Taxation and social security	242
Corporation tax	218
Other creditors	903
	21,309

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Group and Company *2017* *$000*
At 1 December 2016	-
Dilapidation provision created during the period	1,079
At 31 December 2017	**1,079**

This provision is in respect of reinstatement obligations related to leasehold properties and is expected to be utilised within 10 years.

15 LIABILITY OF MEMBER

Tony Blair Institute is a Company limited by guarantee and has no share capital. ACL Blair was the subscribing member at 31 December 2017 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.

16 LEASE COMMITMENTS

Group and Company

Future global minimum rentals payable under non-cancellable operating leases where the Group and Company is a lessee are as follows:

	Land and buildings *2017* *$000*	*Other* *2017* *$000*	*Total* *2017* *$000*
Not later than one year	2,430	269	**2,699**
Later than one year and not later than five years	7,007	24	**7,031**
Later than five years	7,100	-	**7,100**
	16,537	**293**	**16,830**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

17 FINANCIAL INSTRUMENTS

Financial assets that are debt instruments and are measured at amortised cost

	Group	*Company*
	2017	*2017*
	$000	*$000*
Trade debtors	2,071	2,071
Amounts due from other Group Companies	-	110
Accrued income	3,852	3,852
Other debtors[1]	1,967	1,967
	7,890	**8,000**

[1] Other debtors include property rental deposits totalling $1,516,000 which are due after more than one year.

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

Financial liabilities measured at amortised cost

	Group and Company
	2017
	$000
Trade creditors	1,647
Other creditors	903
	2,550

18 RELATED PARTY TRANSACTIONS

Group and Company

The Company charged ACL Blair $195,000 for office occupancy, communication, logistics/travel and event planning, legal and finance services provided by the employees to ACL Blair in his personal capacity. At 31 December 2017 there was a balance receivable by the Company of $12,000.

Milltown Partners LLP (*under the control of a Group director*) has provided Strategic Communications advice to Windrush Ventures Limited and now Tony Blair Institute since 2015. The Company paid Milltown Partners LLP $132,000 for services rendered. At 31 December 2017 there was a balance receivable by the Company of $26,000.

Key management personnel for the period ended 31 December 2017 were also the directors of the Group. The remuneration of the directors was as follows:

	2017
	$000
Aggregate remuneration[1]	617
Sums paid to third parties for directors' services	4
Total	**621**

[1] No directors were members of a pension scheme during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

19 PENSION LIABILITY

The Group provides a defined contribution scheme for its employees in the UK. The pension cost for the period was $196,000. Outstanding contributions at 31 December 2017 totalled $21,000.

20 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*).

The amounts recognised at the combination date were:

	2017
	$000
Fixed Assets	145
Trade and other debtors	191
Cash	3,416
Trade and other creditors	(505)
Total net assets gifted *(note 7)*	**3,247**

The excess of the assets received over the liabilities assumed was recognised as other financial income in the period 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.

(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*).

The amounts recognised at the combination date were:

	2017
	$000
Fixed Assets	64
Prepayments	177
Cash	1
Staff Loans	25
Total net assets gifted *(note 7)*	**267**

The excess of the assets received over the liabilities assumed was recognised as other financial income in the period 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
At 31 December 2017

20 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 were as follows:

	2017
	$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 has been recognised as income in the period.

21 CONTROLLING PARTY

The Group and Company is controlled by its Member. The ultimate controlling party is ACL Blair by virtue of being the founding and only subscribing member.