Registered No. 10505963

TONY BLAIR INSTITUTE

(A Company Limited by Guarantee)

Annual report and consolidated financial statements

Year ended 31 December 2020

Registered No. 10505963

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GROUP INFORMATION

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STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2020.

EQUIPPING LEADERS WORLDWIDE TO RESPOND TO THE PANDEMIC

When Covid-19 brought the world to a standstill in March 2020, it presented leaders across the globe with the biggest challenge they have faced in generations. It also presented an opportunity for the Tony Blair Institute for Global Change (TBI) to deliver on its core mission with greater clarity and more urgency than ever before.

TBI's founding purpose is to support leaders and governments – both with actionable policy ideas from our Policy Futures teams, and with embedded support in countries around the world through our Government Advisory practice. At the heart of our work is a belief in the benefit of clear political leadership and innovative, workable solutions. We are practitioner-focused, and an emphasis on good governance and effective delivery runs through everything we do. Put simply, we exist to help governments deliver progressive reforms to improve the lives of their people.

From the moment the scale of the Covid-19 pandemic became clear, TBI immediately responded. Over the course of just one week in March, we pivoted all of the Institute's resources to supporting governments around the world to respond to the crisis. Our entire staff – from the Middle East to Europe, the USA to countries across the African continent – united around this shared purpose.

At the forefront of the effort was the Institute's Executive Chairman, Tony Blair, whose insights and vision drove strategy internally, and who shaped the Institute's work externally, working with key international figures and institutions to promote effective and collaborative global initiatives. Our teams engaged with a huge range of experts from the corporate, medical, scientific, industrial and academic sectors as well as political leaders and policymakers to catalyse effective responses to the pandemic. The Institute influenced the debate, offered practical policy solutions and supported governments in deploying effective crisis management, rapid problem-solving and innovation – both in the UK and worldwide. This work has ranged from helping advocate for, and then put in place, mass testing, to adapting vaccine rollout to maximise the protection each dose can provide.

Throughout 2020, the Institute helped shape policy around the world and assisted in saving lives. As a result, our contribution towards tackling Covid-19 was noted internationally, including by the University of Pennsylvania, which ranked TBI in its 2020 Global Go To Think Tank Index Report on a select list for 2020 Best Policy and Institutional Response to Covid-19.

CONFRONTING COVID-19

Public-Health Response

To effectively support the Covid-19 response across all areas of the Institute's work, we immediately set up a task force of top experts to focus on key issues, including testing, vaccine and therapeutic development, and vaccine rollout, among others. This team met regularly with Mr Blair and worked at a high level to create a programme of interventions on Covid-19 with leaders and policymakers around the world. This included developing tools and insights to inform decision-making, as well as media interventions to advocate for policy change and vulnerable communities.

One key area where the Institute led the debate early and changed policy – not only in the UK but around the world – was on the importance of Covid-19 testing. From the outset of the pandemic, the Institute advocated for the importance of mass population-level testing, particularly drawing on rapid testing capability. Over the course of 2020 we published a series of influential reports on testing including advocating for a "Moonshot" strategy which the UK government subsequently adopted, terming their own mass-testing strategy "Operation Moonshot" in August 2020. We have consistently made the case that this testing should be based on rapid antigen testing, due to the fact that it can be easily and affordably scaled and doesn't require laboratory capacity. Last winter the UK piloted rapid antigen testing for asymptomatic population testing; in March 2021, it made regular lateral-flow rapid tests free to all to further support this strategy. This successful template was used as the basis to advise countries around the world on putting in place the correct mass-testing strategy.

We have had similar impact with our recommendations on vaccine policy. In late December 2020, as the highly transmissible Alpha variant of SARS-CoV-2 was surging in England, Mr Blair published a piece in the

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Independent calling for a drastic change in the UK's vaccine policy. Informed by conversations with our network of experts, he recommended that the government consider altering and accelerating its vaccine policy to use all available vaccine supply to administer first doses to as many people as possible as quickly as possible, rather than hold back stocks for second doses – the objective being to provide immunity more widely across the population and to do so more rapidly.

Following the article's publication, the government accepted a new national vaccination strategy set forth by the Joint Committee on Vaccination and Immunisation, which reflected our recommendations in full. This was followed by a blueprint for vaccine implementation which raised the ambition for the number of vaccines that could be administered per day – an approach reflected in the government's proceeding vaccination framework.

Beyond the UK, our Government Advisory teams and Covid-19 task force tracked the spread of the virus across the countries we supported – including in sub-Saharan Africa and around the world. This accurate data was crucial in providing evidence-based policy recommendations, for instance in Ghana, where our team advised President Nana Akufo-Addo regarding testing and ongoing restrictions. Furthermore, throughout 2020, we produced and published 19 practical guides for governments in sub-Saharan African on key elements of the public-health response to Covid-19; these Tools for Governments covered topics including scaling up mass-testing programmes; implementing social distancing; setting up makeshift isolation and treatment centres; and guidance on the use of masks. Countries outside Africa also picked up these guides and contacted TBI for further support.

Our public-health reports were widely shared and read by MPs involved in developing the UK government health strategy, by leaders and decision-makers across sub-Saharan Africa, and by key figures in the pharmaceuticals industry. These reports led to changes in policy on the ground; our practical support for one government helped draw on the best practice from our testing work in the UK to put in place a system to help reopen travel in the country.

We also forged an exciting partnership to launch a cloud-based public-health system, which we piloted in Ghana, Rwanda and Senegal. As part of a philanthropic partnership with the Larry Ellison Foundation, we helped roll out a pro bono Oracle Health Management System (OHMS) in these countries to create electronic health records for their vaccination programs for yellow fever, HPV and Covid-19. Participating countries have access and support for the system free of charge for the next ten years. In Ghana, 70,000 people were vaccinated against yellow fever and registered in the country's OHMS in just one week after the programme was launched in late 2020. Additionally, Rwanda utilised the OHMS to administer and record nearly 200,000 Covid-19 vaccinations in three days in March 2021; and Senegal is using OHMS at the national level, helping to provide real-time Covid-19 vaccination data (more than 1,700 health centres have registered so far).This work launched the beginning of our broader Tech for Development global programme, which ramps up in 2021.

Exit Strategies and Economic Response
The economic impact of Covid-19 has been and will continue to be enormous, and our economists and analysts worked throughout 2020 to identify priority issues and offer expert advice on managing these challenges. In the UK context, we focused on how the government should correctly calibrate the urgent need to control the spread of the virus while also ensuring the economic security of the country. Our UK Policy unit set out a comprehensive strategy for managing the pandemic from the start, and led the national debate on how lockdown measures could be lifted safely, responsibly and in a way that would protect the economy. Our publications and direct engagement put the exit-strategy debate front and centre in the policy conversation, with SAGE describing our report "Smart Exit: A Covid-19 Early-Warning Model" as "the best assessment of the evidence at the time".

The team also led the debate on the interaction between the economy and the virus. Executive Director and Chief Economist Ian Mulheirn twice gave evidence to the House of Commons Treasury Select Committee, and the committee's February 2021 report adopted our call to "use economic modelling to guide the timing of when restrictions can be lifted to optimise health and economic well-being." The Office for Budget Responsibility sought our input in late 2020 ahead of the publication of its March 2021 Economic and Fiscal Outlook, which references our contributions.

The team has continued to produce analysis and engage on these issues, intervening at critical stages to help the government in its aims to maintain the careful balance between protecting life and safeguarding economic security.

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Work on exit strategies and economic response had specific relevance to the UK but with clear read across and applicability to governments around the world. In Sierra Leone, for example, our Government Advisory team presented to the president an evidence-based case for a lockdown strategy, subsequently implemented by the government, that mitigated health concerns while keeping critical parts of the economy open for the country's most vulnerable people.

Across sub-Saharan Africa, our Advisory teams supported governments on their economic and fiscal responses to help them protect people's livelihoods and keep key industries afloat. Our work included preparing guidelines on how to continue operations during lockdown, detailing economic stimulus measures to sustain small businesses, advising on social-protection measures and proposing strategies for resolving legal and contractual issues.

TBI also actively supported governments with preventing food insecurity, including helping to ensure access to food and markets for both producers and consumers and helping with programmes designed to ensure that relief reaches local farmers and vulnerable populations.

The Critical Role of Technology
In 2020, our Technology and Public Policy team worked to answer a central question: How can the world use technology to respond to the virus and the crisis it has caused? Grounded in a framework set out at the beginning of the crisis for how tech can be harnessed to both fight the virus and cushion its impact on society, our technology policy analysts focused on the key topics relating to tech innovation and proposed actionable policy solutions that could improve the global response to the crisis. From addressing the benefits of tools such as contact tracing and data sharing for virus tracking, through to reimagining a tech-enabled state and revealing attitudes to tech and Covid-19 from around the globe, we have brought the latest analysis and thinking to the ongoing debate during the pandemic. This work has been included in government briefings, quoted in UK and international media, and used to inform decisions by high-level officials in the African countries where our Government Advisory practice works.

The impact our tech work made during the crisis helped lay the foundation for a deeper partnership between TBI and the Larry Ellison Foundation, launching in 2021. This partnership will work to help ensure the developing world has the tools to fully access and harness the possibilities technology can provide in areas such as health, agriculture and digital ID.

Education
Due to Covid-19, students around the world have been affected by school and university closures, highlighting the need for online learning platforms and virtual engagement. During the pandemic, TBI's education programme Generation Global has reached more than 22,000 students with dialogue and classroom materials to equip them with the knowledge, skills and attitudes to become active and open-minded global citizens. In April 2020, we joined forces with UNESCO as a partner in the Global Education Coalition to support countries in implementing best distance-learning practices to help children and young people who have had their education disrupted due to the pandemic. And in June 2020, Generation Global released the Ultimate Dialogue Adventure, which allows students to learn dialogue skills while out of school through our gamified online platform. In 2020, more than 3,000 students across 33 countries actively participated in this platform.

Extremism Policy
Our Extremism Policy Unit (EPU) works to equip political leaders and governments to understand and respond to the ideologies underpinning extremist violence and terrorism. In addition to the team's wider programme of work beyond the scope of the pandemic (more on this below, in the section on "Our Impact Beyond Covid"), the EPU dedicated its expert analysts and researchers to examining how extremist groups from across the ideological and geographical spectrum were adapting and consolidating their narratives on Covid-19, seeking to provide a holistic view on how the extremism landscape was shifting in response to the pandemic.

Extremist groups were quick to find opportunities to exploit the pandemic to support their narratives and undermine government responses. To help governments and policymakers understand and confront these threats effectively, the EPU published timely, evidence-based analysis of pandemic-related activities by extremist groups worldwide. The team also produced detailed analyses and commentary pieces on trends, ideological movements and incidents. These included Iran's approach to Covid-19 and conspiracy theories emanating from its response;

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global far-right responses to Covid-19; and Boko Haram's exploitation of the crisis and escalation of violence in the Lake Chad Basin. Our briefing "How Is Boko Haram Responding to Covid-19?" was distributed to our key stakeholders and adapted for publication in the Independent and the Telegraph, and an interview with BBC Hausa aired as the lead story. Our analyst also briefed 18 embassies in Nigeria on the violence in the northwestern and northeastern parts of the country and made recommendations for the EU's consideration; following one of our briefings, the EU Delegation sent a memo to the Nigerian government raising alarm over the escalation of violence and calling on the government to take further action. We also noted that, after the BBC Hausa coverage, Nigeria's chief of army staff personally moved to the northeast on the instruction of the president to fight Boko Haram.

Additionally, the EPU produced a toolkit guide for governments on working with religious leaders to support public-health measures – drawing on TBI's experience of working with community leaders in Sierra Leone, Nigeria and Kenya. It highlighted the opportunity to engage religious leaders as a positive force both in disseminating public-health messaging and countering some of the false narratives and negative exploitation of the pandemic in communities. This toolkit guide had a global reach, including being circulated in the US by the Aspen Institute and the Alliance for Peacebuilding.

OUR IMPACT BEYOND COVID

Supporting Governments With a Progressive Policy Agenda
While Covid-19 dominated the global policy agenda in 2020, leaders and policymakers worldwide continued to face challenges outside of the pandemic. As part of our core mission and in response to these challenges, our policy teams developed fresh, practical policy solutions to help define a modern progressive agenda. This encompassed UK-focused policy work relating to the economy, industrial strategy and Brexit; global challenges such as providing a policy alternative to those promoted by populist movements; and continuing the vital work on how governments can harness the tech revolution to transform public life in a way that benefits citizens worldwide.

UK Policy
While our UK Policy unit focused extensively on lockdown exit strategies and the economic response to Covid-19 throughout 2020, they also continued its work on issues including tax policy, local-government finance and industrial strategy, as well as challenges with global implications. On Brexit, for instance, the team delivered in-depth analysis and proposed sensible policies on the negotiations through a regular series of reports and blogs, which earned coverage in the Financial Times, the Times, the Telegraph and Prospect Magazine.

The team also continued to explore the phenomenon of the political trend towards populism in the West. Launched in 2018, TBI's "Populists in Power" database was updated for 2020, with new analysis including the report High Tide? Populism in Power 1990-2020, which explored the effects of populist government on democratic institutions, and Pandemic Populism: An Analysis of Populist Leaders' Response to Covid-19, which assessed populist leaders' Covid-19 responses. This research has been used by the US Department of State's Foreign Service Institute to design a course to train foreign service officers on global populism.

Technology and Public Policy
We believe that with the right political strategy, technology has the ability to become a critical part of the solutions to many of our world's biggest challenges, from confronting climate change to encouraging sustainable development and reducing global inequalities.

Our Technology and Public Policy unit (TPP) has grown to more than 30 across the globe and is focused on the following areas: Internet Policy, Digital Government, Science and Innovation, and Tech for Development. Throughout 2020, we engaged high-level tech-sector businesses and policymakers to bridge the gap and published reports such as: The TBI Globalism Study in partnership with YouGov, which explores public perceptions around tech and society; Leveraging Tech in the Developing World – For Covid-19 and Beyond; and A Price Worth Paying: Privacy, Tech and the Fight Against Covid-19 and Technology to Feed the World. To expand and diversify our areas of expertise, we also launched an associate fellows programme in 2020.

In light of the 21st century's technological revolution, we identified an opportunity to pin down the elements of a new progressive agenda (which we set out here in 2020) and continue to advocate for tech for both health and climate, which will remain pressing challenges over the new decade for governments around the world. As part of this, in August we launched a fortnightly Substack called Progress where we dive deeper into key issues. This work has attracted a community from across business, policy, academia and other crucial spheres.

Working Towards Global Peaceful Coexistence
Having the right progressive agenda and giving governments the tools to deliver it are vital but, without an overarching global context of peaceful coexistence, this agenda is all the harder to implement. The work of our Extremism Policy Unit has continued to track and monitor issues around Islamist and far-right extremism and give governments tools to better understand and respond to it. We have also deepened our work in the Middle East in working towards a successful regional agreement for peace.

Extremism Policy
Our Extremism Policy Unit conducts research and policy analysis on extremist ideologies including Islamist extremists, the far right, the Boko Haram insurgency and Shia Islamism. The team's work seeks to understand the role of ideology in developing and implementing successful counter-extremism and counter-terrorism policy, calling for stronger approaches to prevention policy, understanding the role of ideology in recruiting and mobilising support to carry out violent attacks, through to the disengagement, deradicalisation and reintegration of former fighters.

In 2020, the EPU published new research on the resonance of extremist narratives among young people in the UK with an accompanying policy paper on how to improve Prevent – the UK government's counter-terror programme aimed at preventing radicalisation leading to violence – in the run up to the first-ever Independent Review of the programme. In consultation with our Government Advisory colleagues in Mozambique, we also developed and published a briefing on the escalating insurgency by ISIS-affiliated extremist group Ansar al-Sunna in the country's northern province of Cabo Delgado and the deteriorating security situation, including recommendations for international policymakers to counter both the immediate challenge and the longer-term threat posed by Islamist extremists in Cabo Delgado. Alongside this, the team has continued to produce rapid analysis and short-form commentary and insight for a range of broadcast media and press.

In the Middle East
Our work in the Middle East, where we continued to focus on fostering Arab-Israeli ties, has witnessed significant progress, culminating in the signing of the Abraham Accords between Israel and the UAE and Israel and Bahrain in September 2020. This work was reported on by the news outlet Israel Hayom, and Mr Blair's role was recognised by former Israeli Prime Minister Benjamin Netanyahu. This significant achievement represented more than a decade of continuous hard work to bring about a shift in the regional narratives about Israel, as highlighted by our ongoing analysis of Arab media representation of Israel.

Mr Blair and our team in the Middle East continues to focus on identifying and further deepening opportunities for peace and stability in the region, advising and mediating between leaders and officials in Israel, the Gulf and on the international stage regarding the political landscape in Israel, the Palestinian territories and the region. The work has included identifying opportunities and providing practical steps and initiatives for promoting ties, as well as for stabilising the situation in the West Bank and Gaza. Our Middle East work also seeks to leverage improved Israeli-Arab relations in order to promote negotiations between Israel and the Palestinians towards a two-state solution, and creating a regional framework for the negotiations with the active involvement of the Arab states, to ensure the viability of a future Palestinian state alongside a secure Israel.

In response to the Covid-19 pandemic in 2020, our team in the Middle East also supported the work of the Institute in Africa and beyond, analysing Covid-19 trends, providing case studies on aspects of the pandemic including testing, tracing and economic exit strategies, as well as identifying and mapping cutting-edge Israeli technologies and initiatives to tackle the multifaceted challenge posed by Covid-19.

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OUR PEOPLE

Our financial statements show an average total of 267 staff in 2020. Our staff members are based in many locations throughout the world, including in countries across sub-Saharan Africa, the UK, the United States, Eastern Europe and the Middle East. They bring a wide range of expertise and experience, and we collectively benefit from a diverse workforce that comprises over 35 different nationalities.

Gender balance is incredibly important to us and we are proud that our commitment to this shows in the make-up of our workforce. As of December 2020, 52 per cent of our employees are women, including our Chief Executive Officer and Chief Operations Officer. Our board is 50 per cent female.

We remain committed to investing in our people wherever in the world they work. They are our greatest asset and the key to turning our mission into a reality.

Executive Chairman Tony Blair is the central source of leadership for the Institute. Mr Blair receives no remuneration for his work at TBI, to which he devotes the majority of his time.

FINANCIAL REVIEW

The year to 31 December 2020 saw TBI continue to expand and deliver on a range of activities. The Institute was able to invest reserves generated from brought forward surpluses in a progressive range of advisory and policy work. There has been a minor decrease in turnover in the year to 31 December 2020 ($0.8 million; 1.7 per cent) accompanied by an increase in expenditure ($1.3 million; 2.8 per cent), resulting in the Group reporting a deficit of $3.1 million.

TBI's ability to fulfil new projects and programmes of work relies on having the right people in place to deliver them, and staff costs were the biggest factor in the overall increase in expenditure from 2019 to 2020. There has been an increase in staff numbers to 267 (+36; 16 per cent), with most of the additional staff dedicated to the Institute's Government Advisory work, highlighting TBI's ambition and founding purpose to support leaders and governments across the globe.

With the onset of Covid-19 early in the year, TBI pivoted resources to leading and supporting governments in fighting the pandemic. Owing to the impact of the Covid-19 pandemic, TBI utilised reserves built in previous years to support and commence projects around the world, which has allowed the Institute to operate at a deficit in the year.

The increase in staffing has been the largest driver of increased costs in the year. TBI has continued to be impacted by the Covid-19 pandemic and the restrictions in travel and movement that have been imposed. TBI has adapted its working practices and work programmes but has been able to continue working and meeting its objectives, which has also seen the Institute incur additional expenses.

The directors have formed an assessment of the Group's ability to continue its operations into the foreseeable future, considering a range of modelled scenarios and outcomes. They have concluded that TBI remains a going concern. As of 31 December 2020, the Group's reserves stood at $5.8 million and the Group can report healthy cash balances of $26.0 million. TBI is confident in its ability to deliver on the commitments into which it has entered, and to secure sufficient funding in the future to take on new commitments as its programme evolves to meet the ever-changing needs of global leaders.

RISK MANAGEMENT

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

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Financial risk

Liquidity risk
TBI aims to maintain a minimum level of cash balances in order to ensure that obligations to employees and suppliers can always be met. Financial forecasts are reported to the Board on a regular basis and the Board regularly reviews work plans and budgets in order to ensure that they are realistic and commensurate with funding. Cash is placed on short-term deposit so that it remains accessible. TBI has few fixed assets and asset liquidity is therefore not a significant risk.

Foreign exchange risk
TBI is exposed to foreign exchange risk due to conducting transactions across multiple currencies, a necessary part of operating in a wide range of countries and currency zones. Foreign exchange risk is reduced to some degree by holding cash balances in various currencies, which also helps to keep transaction costs to a minimum. TBI's functional currency is the US dollar, which is generally stable and remains the principal global reserve currency. The majority of TBI's income is denominated in US dollars, limiting exposure to more volatile currencies. TBI does not enter into currency hedging transactions.

Credit risk
TBI faces the risk that clients and counterparties fail to meet their contractual obligations. Credit risk is generally considered to be low, due to the nature of our contracts and the profile of our funding partners. Credit risk is mitigated further by ongoing monitoring of debtor balances (credit control) and by the performance of due diligence prior to entering into new contracts. TBI has a policy of providing for aged debts based on the number of days outstanding of individual debts and any other relevant information.

Operational risk

Information security and data protection
Cyber-security is an increasingly important consideration for TBI's Board and management. While the risk of data loss or misappropriation can never be eliminated entirely, the Board considers that adequate systems and processes are in place to reduce the risk of data loss or misappropriation to an acceptable level.

TBI has policies in place in respect of data protection, in accordance with the UK Data Protection Act and the EU's General Data Protection Regulation (GDPR), and regarding the organisation's storage and use of personal data in connection with employees. These policies set out the organisation's responsibilities and approach to ensuring compliance with relevant legislation and protecting the rights and security of employees and other stakeholders, as well as providing practical guidance to employees with regard to individual responsibilities and best practices.

People
TBI is a global organisation, and each region and country in which we operate presents its own unique challenges. TBI takes its duty of care to its employees extremely seriously, as well as its responsibilities to the communities and environments in which we operate.

TBI has developed extensive policies and protocols regarding security, ensuring that all employees are safe, educated in how to respond to threatening situations, and aware of the resources available both in emergencies and throughout the course of their employment. TBI continues to promote wellbeing initiatives for employees in the UK as well as overseas, which has proved particularly valuable in the months since the Covid-19 pandemic took hold.

With regards to external stakeholders, TBI has policies regarding the environment and the safeguarding of young and vulnerable people and anti-human trafficking and anti-slavery policies. Policies are also in place concerning supplier management and procurement, conflicts of interest and whistleblowing, as well as anti-money laundering and anti-corruption measures.

Legal
Compliance with local laws and regulations is of paramount importance. TBI actively monitors the legal and regulatory environments in which it operates and obtains specialist professional advice where necessary.

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Significant emphasis is also placed on compliance with the requirements stemming from donor and funding agreements.

PARTNERS AND DONORS

In 2020, we partnered with a record number of organisations to further scale the breadth and impact of our work. As we continue to grow and deliver on our mission, we are reminded of the generous intellectual and financial support from all our donors and funding partners.

Our partners

We have developed partnerships with aligned organisations. We would like to thank the staff and leadership of every partner organisation for their thoughtful and collaborative work and support. Across all the areas of our work, TBI partnered formally and informally often through joint convening, research or reports, with a variety of external stakeholders. In 2020 we worked with:

- The Africa Centres for Disease Control and Prevention (Africa CDC)
- African Center for Economic Transformation (ACET)
- The Anti-Defamation League (ADL)
- The African Development Bank (AfDB) Group
- CrossBoundary Advisory
- The Global Community Engagement and Resilience Fund (GCERF)
- Invest Africa
- The Rockefeller Foundation

Our donors and funding partners

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

- African government partners who contract directly with TBI
- Alliance for a Green Revolution in Africa (AGRA)
- Anne Wojcicki Foundation
- Bill & Melinda Gates Foundation
- Blavatnik Family Foundation
- Digital Pathways at Oxford, Blavatnik School of Government, University of Oxford
- European Council on Tolerance and Reconciliation
- The International Fund for Agricultural Development (IFAD)
- The Kirsh Foundation
- The Larry Ellison Foundation
- Nathan Associates London Ltd
- Wellspring Development Capital Ltd
- Social Finance UK
- UBS Optimus Foundation
- United States Agency for International Development
- Victor Pinchuk Foundation

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s.172 STATEMENT

The Institute's mission is to equip political leaders and governments to build open, inclusive and prosperous societies in an interconnected world by shaping the debate and offering expert advice. We have refined this mission and our offering to the leaders and decision-makers we support and have organised ourselves to best achieve deep impact. As a result, the Institute was also well-positioned to respond to the Covid-19 pandemic and the shockwaves it set off throughout 2020.

The directors are mindful of their duties under s.172 to ensure that decisions are made considering their long-term implications and their impact on various stakeholder groups including our employees, customers and suppliers. The impact of our work on the environment and the communities among which we operate are considered in the ways set out below. The reputation of the company is key to ensuring we are able to achieve our purposes in the long term.

Key Decisions Made in 2020

An Institute-Wide Pivot to Working on the Covid-19 Response
In March 2020, we pivoted all of the Institute's resources to supporting governments around the world to respond to the pandemic crisis. Our entire staff united behind this shared purpose – from our Policy Futures analysts based in London to our Government Advisory teams embedded within governments across sub-Saharan Africa and our colleagues in the United States, Eastern Europe and the Middle East. Through a combination of publications, direct engagement and media interventions, we focused on supporting leaders and policymakers with expert economic and public-health analysis and practical solutions to help them make the right decisions and take the right actions in this challenging context. This pivot allowed us to serve these stakeholders and deliver on our core mission – equipping political leaders for the challenges they face – with more impact than ever.

Remote Working in 2020 and Supporting Staff Through the Covid-19 Crisis
Within days of the UK government's advice on 16 March that people should "start working from home where they possibly can", we moved all our staff to a new way of working that would become the pandemic norm for the rest of 2020 and beyond. This shift also involved new ways of supporting and equipping our staff for remote working, which are outlined in more detail below.

Our teams embedded in countries across sub-Saharan Africa took the decision to stay in-country to continue to support our partner governments through the crisis. Given the global nature of our work, the Institute also set up a crisis-management team when Covid-19 was declared a "pandemic" by the World Health Organisation on 11 March. This multidisciplinary team – made up of representatives from our People, finance, legal, security, facilities, IT, Policy Futures and Government Advisory divisions – focused on responding to the pandemic across each country we operate in and to ensure a consistent approach across all the geographies to the extent possible. The crisis-management team spent extensive time preparing for worst-case scenarios in higher-risk geographies with more limited public-health resources in the event the virus took hold in those locations, so that the Institute would be ready to support staff and partners there.

Strategic Reorganisation
Over the past three years, we have refined our mission and organised ourselves to best achieve deep impact. Following a full strategy review in 2019 and the pivot to Covid-19 response in 2020, we also learned lessons about what didn't work, or what others were better placed to do, and streamlined our efforts to better serve our core partners. This included winding down our wider work on community-level co-existence programmes, with a small number of associated redundancies, in order to prioritise programmes and workstreams that tied most effectively into our core mission. As a result, we are now a more effective, robust organisation.

Employees, Customers and Suppliers

Employees
As mentioned above, the Institute moved quickly in March 2020 to enable employees to work from home safely and effectively, with a clear ambition to support members of staff at a very difficult time. Recognising the professional, emotional and physical impacts of the pandemic and the rapid shift to homeworking, our People

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Team circulated extensive guidance on wellbeing, made available online tools, and held regular, dedicated sessions throughout the year delivered by a third-party partner psychologist and psychiatrist.

We were well positioned from an IT point of view to transition quickly to working from home (staff members already had laptops and experience using Microsoft Teams for virtual collaboration), and an exercise was carried out at speed to make sure employees had the right IT infrastructure and equipment to enable remote working. A special working-from-home expenses policy was introduced, providing each staff member with an allowance of up to £150 to purchase equipment to support successful homeworking.

From an internal-communications and team engagement perspective, the senior leadership and People Team developed a strategy for how the organisation would continue to foster a sense of community and togetherness. Weekly All Staff meetings, including a town-hall-style Q&A session with Mr Blair, were implemented and have continued into 2021. This forum created not only an opportunity to provide corporate updates but have help foster an enduring sense of cohesion and shared purpose across the Institute.

The Institute worked hard to support staff with caring responsibilities across the organisation, including parents facing the demands of home-schooling alongside their professional duties during the prolonged global school closures. Flexibility was the key; rather than a prescriptive set of policies, the mandate to managers was to offer employees flexible options to create a sustainable, workable way through this period of crisis. Additionally, the People Team amended the annual-leave policy to enable all employees to carry more holiday forward into 2021.

As the crisis persisted, repeated "Pulse Check" staff surveys were conducted. These surveys helped the People Team to assess the type of support people still required; to understand which types of communication and frequency of communication staff valued; and to respond accordingly.

Finally, to encourage staff development – even within the constraints of the pandemic – we launched a formal partnership with LinkedIn Learning, giving employees access to a database of more than 16,000 high quality online courses.

Customers
Throughout 2020, we focused on delivering for our partners and funders in spite of – and in response to – the challenges presented by Covid-19.

Covid-19 amplified the importance of strong and effective governments – a core principle that underpins TBI's work. The Institute has since seen a rapid increase in demand for our support, by way of partnerships with governments and leaders to strengthen infrastructure and delivery across areas including, but not limited to, health care, economy and development – to build back better. We have also diversified our income base, built new partnerships with global and continental players such as the Gates Foundation, as well as the pan-African agriculture transformation agency Alliance for a Green Revolution in Africa (AGRA) among others, and transitioned our model into the multilateral context. Placing teams within the Africa Centres for Disease Control and Prevention (Africa CDC) and the West Africa Health Organisation (WAHO) has enabled us to reach even more people. We have adapted and will continue to adapt to meet growing and changing demand for our work.

As the world transitions to respond to complex issues beyond the pandemic, we have leveraged the trust gained from our Covid-19 response and our years of prior expertise in these fields to shape the debate and offer expert advice, equipping leaders and governments with the tools needed for a global future.

Suppliers
We maintained our supplier relationships – both with UK suppliers and with the network of suppliers we engage with in the countries in which we operate, particularly in Africa – throughout 2020. Following a scale-up in recruitment that commenced in August 2020, the Institute has increased our use of suppliers since that time, including IT hardware suppliers, recruitment agencies, software-licenses suppliers, and property-rental suppliers in the countries in which we operate and house staff. Heading into 2021, we have increased our presence globally and now have seven regional hubs and 18 country offices around the world, in addition to our London headquarters, with associated supplier networks in each location.

STRATEGIC REPORT

Communities & the Environment

The Environment
As an organisation dedicated to helping leaders build prosperous and inclusive societies around the world, we are committed to becoming a greener business and operating in an environmentally friendly way across all of our activities. To that end, we took steps in 2020 to address our environmental impact – including updating our longstanding environmental policy – which we will build upon even further in 2021.
Carbon offsetting: We have been working with the company ClimateCare since 2015 to address our carbon footprint due to air travel emissions, and we have offset all 2019 and 2020 air travel emissions through carbon financing of the Gyapa Cookstoves project, Ghana and the Gola Rainforest Protection project, Sierra Leone.

Suppliers and procurement: Where possible, we support local suppliers, and this is reflected in the distribution of our procurement of goods and services by location. Wherever possible and practical, we believe in supporting local communities through our procurement decisions. We also prioritise suppliers that have environmentally sustainable products and ways of working, and we encourage partners and suppliers to support best practices with regard to environmental impact.

Looking ahead to 2021: In 2021 we plan to commence long-form reporting and deliver an extended programme of policy work focused on helping leaders in the UK and around the world reach their net zero targets.

Environmental Reporting

Large UK companies are required to report their UK levels of greenhouse gas ("GHG") emissions in their annual report and accounts. This obligation is for Scope 1 (direct), Scope 2 (indirect) and Scope 3 (other indirect) emissions, only to the extent that emissions are the responsibility of the company. Direct emissions originate from combustion of natural gas and transportation, whilst energy indirect emissions are based on purchased electricity, other indirect emissions are the result of the transmission and distribution of electricity to TBI and employee travel for Institute activities.

Emissions are calculated following the UK Government GHG Conversion Factors for Company Reporting 2019 and the UK Government Environment Reporting Guidelines. An intensity ratio of carbon dioxide equivalent per million dollars turnover has been selected which will allow a comparison of performance over time.

In line with Energy and Carbon Reporting guidelines, our disclosures relate to UK energy use only. This is the first year for which the Institute is reporting and therefore is our base year.

Source of emissions	**2020 UK & offshore areas only Tonnes, CO2e**
Direct emissions (scope 1)	
Gas	27
Transport	-
Energy indirect emissions (scope 2)	
Electricity	68
Other indirect emissions (scope 3)	
Electricity – transmission & distribution	6
Transport	0
Gross emissions	**101**
Total turnover ($m)	46
Intensity ratio	**2.21**

STRATEGIC REPORT

	2020 UK & offshore areas only
Electricity	
Electricity purchased for own use or consumption	291 MWh
Heat generation	
Gas purchased for own use or consumption	132 MWh

TBI strives to operate in a climate-friendly manner and to incorporate this into how the Institute goes about our work. We actively monitor the Institute's environmental impact and work to reduce this as much as possible, and we have established an internal working group specifically to look at this area.

Safeguarding and Modern Slavery

The Institute is committed to safeguarding all people, particularly at-risk adults and children from any harm, including but not limited to sexual exploitation and any forms of abuse, that may be caused due to contact with the Institute. This includes any harm arising from the conduct of our staff, volunteers, consultants and others working with/on behalf of the Institute, and design and implementation of programmes and activities.

We are also committed to safeguarding staff, volunteers, consultants and others working with/on behalf of the Institute from any forms of bullying, harassment, sexual harassment, discrimination, and abuse of power. We have a group of individuals within the Institute designated as "safeguarding focal points", who are made available to the organisation for colleagues to raise any concerns they may have about any safeguarding issue. Safeguarding focal points then follow a specific framework to escalate any relevant matters to appropriate teams within the organisation, as necessary.

The Institute also recognises that modern slavery is a serious crime against an individual's fundamental human rights and an issue of global significance. We are committed to ensuring that modern slavery does not take place within the Institute, as a result of our work, or in our supply chain.

By order of the board,

CJ Rimmer
Director
27 September 2021

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2020.

REVIEW OF THE BUSINESS

A review of the business has been provided in the Strategic Report on pages 2 to 13.

DIRECTORS

The directors who held office during the year were:

A Ablo
ACL Blair
DJ Collins
CJ Rimmer

POLITICAL CONTRIBUTIONS

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

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

AUDITOR

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

By order of the board

C J Rimmer
Director
27 September 2021

One Bartholomew Close
London
EC1A 7BL

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

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

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

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

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

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

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

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

For the year ended 31 December 2020

Opinion

We have audited the financial statements of Tony Blair Institute ("the company") for the year ended 31 December 2020 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 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

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

For the year ended 31 December 2020

- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

Identifying journal entries at the Parent company to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue journals posted with unexpected pairings and cash journals posted with unexpected pairings.

Testing a sample of revenue transactions recognised in the month before and after year-end to determine whether the transactions had been accounted for the in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 15, 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.

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

For the year ended 31 December 2020

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

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

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

Fleur Nieboer

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

28 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	***2020 $000***	*2019 $000*
Turnover	*2*	**45,513**	46,320
Administrative expenses		**(48,272)**	(46,930)
Operating deficit	*3*	**(2,759)**	(610)
Interest receivable and similar income		**57**	145
Deficit before taxation		**(2,702)**	(465)
Tax charge on deficit	*6*	**(578)**	(383)
Deficit for the financial year		**(3,280)**	(848)
Currency translation differences		225	379
Total comprehensive deficit		(3,055)	(469)

The notes on pages 26 to 36 form an integral part of these consolidated financial statements. All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 $000	2019 $000
Fixed assets			
Tangible assets	7	**1,221**	1,479
Current assets			
Debtors	9	**16,664**	11,423
Cash at bank and in hand		**26,032**	24,697
		42,696	36,120
Creditors: Amounts falling due within one year	10	**(37,580)**	(28,146)
Net current assets		**5,116**	7,974
Total assets less current liabilities		**6,337**	9,453
Provisions for liabilities	11	**(550)**	(611)
Net assets		**5,787**	8,842
Reserves			
Merger reserve		**8,798**	8,798
Profit and loss account		**(3,011)**	44
		5,787	8,842

The notes on pages 26 to 36 form an integral part of these consolidated financial statements. These financial statements were approved by the Board of Directors on 27 September 2021 and were signed on its behalf by:

C J Rimmer
Director

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	*2020* *$000*	*2019* *$000*
Fixed assets			
Tangible assets	*7*	**1,221**	1,479
Current assets			
Debtors	*9*	**16,992**	11,791
Cash at bank and in hand		**25,463**	24,241
		42,455	36,032
Creditors: Amounts falling due within one year	*10*	**(37,381)**	(28,037)
Net current assets		**5,074**	7,995
Total assets less current liabilities		**6,295**	9,474
Provisions for liabilities	*11*	**(550)**	(611)
Net assets		**5,745**	8,863
Reserves			
Profit and loss account		5,745	8,863
		5,745	8,863

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The deficit for the company for the year was $3,118,000 (2019: deficit of $384,000).

The notes on pages 26 to 36 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 27 September 2021 and were signed on its behalf by:

C J Rimmer
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Merger reserve	*Profit and loss account*	*Total equity*
	$000	***$000***	***$000***
Balance at 1 January 2019	8,798	513	9,311
Deficit for the year	-	(848)	(848)
Currency translation differences		379	379
Balance at 31 December 2019	**8,798**	**44**	**8,842**
Deficit for the year	-	(3,280)	(3,280)
Currency translation differences	-	225	225
Balance at 31 December 2020	**8,798**	**(3,011)**	**5,787**

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. Windrush Ventures Limited itself entered liquidation in December 2017.

The notes on pages 26 to 36 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Profit and loss account	*Total equity*
	\$000	***\$000***
Balance at 1 January 2019	9,248	9,248
Deficit for the year	(763)	(763)
Currency translation differences	378	378
Balance at 31 December 2019	**8,863**	**8,863**
Deficit for the year	(3,338)	(3,338)
Currency translation differences	220	220
Balance at 31 December 2020	**5,745**	**5,745**

The notes on pages 26 to 36 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 31 December 2020

	Note	2020 $000	2019 $000
Cash flows from operating activities			
Operating deficit for the year		(2,759)	(610)
Adjustments for			
Depreciation	7	294	130
Fixed asset currency revaluation	7	(31)	(53)
Interest receivable		57	145
Taxation	6	(578)	(383)
(Increase) in debtors	9	(5,241)	(1,924)
Increase/(decrease) in creditors	10	9,434	(4,205)
Increase/(decrease) in provisions	11	(61)	35
Net cash generated from operating activities		1,115	(6,865)
Cash flows from investing activities			
Payments to acquire fixed assets	7	(5)	(9)
Net cash from investing activities		(5)	(9)
Cash flows from financing activities		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,110	(6,874)
Currency translation adjustment		225	379
Cash and cash equivalents at 1 January		24,697	31,192
Cash and cash equivalents at 31 December		26,032	24,697

The notes on pages 26 to 36 form an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

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 One Bartholomew Close, London EC1A 7BL. 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 2020.

Basis of preparation

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

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

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

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

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

TBIGC Limited, being a subsidiary company included in these consolidated financial statements, has taken advantage of the exemption from audit of its individual accounts under section 479A of the Companies Act 2006. The Parent Company guarantees all outstanding liabilities of TBIGC Limited at the end of its financial year (31 December 2020).

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2020. A subsidiary is an entity that is controlled by the parent. In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

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.

Going concern

The financial statements have been prepared on a going concern basis, based upon the directors' assessment of the financial position of the business and expectations of the future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1 ACCOUNTING POLICIES (CONTINUED)

During the early months of 2020, the Covid-19 pandemic took hold around the world. Many national governments, including that of the United Kingdom, where the Group and Company are headquartered, responded by ordering lockdowns to restrict people's movement and thus reduce transmission of the virus. The disruption caused by these measures, and the resulting economic effects, have been disastrous for many sectors of the global economy, businesses large and small, and the lives and livelihoods of millions of people.

Due to the nature of the Institute's work, and thanks to the IT infrastructure and systems in place, the Group has largely been able to continue its operations successfully. Adaptations to working practices have been necessary, with home working mandatory in the UK and several other countries, and practically expedient elsewhere. Adjustments have also been made to the Institute's programme of work, in response to the changing needs and priorities of governments and societies. However, there has been minimal interruption to the Institute's output and no diminution of its ambition.

The Institute's cost base has remained broadly consistent in the period since the impact of Covid-19 became apparent, staff costs have increased as a result of the Institute's activities whilst certain areas of expenditure have seen reductions, notably international travel. Moreover, the directors have overseen a review of expenditure across the Institute. In terms of revenue, the Institute's clients and partners have honoured their commitments and obligations and demonstrated their enthusiasm for continued collaboration. The Institute continues to monitor the impact of the pandemic on the fundraising environment and has stepped up efforts to secure funding for the medium- and long-term future.

In forming their assessment of the Group's status as a going concern, the directors have taken into account the Group's financial position and its cash position, as well as forecasts of revenue and expenditure. As at the reporting date, the Group had net current assets of $5.1m and cash balances amounting to $26.0m. Cashflow forecasts, though still affected by the pandemic, continue to point to a positive cash position up to and beyond September 2022. Cashflow forecasting has included the modelling of various scenarios, allowing the directors to see projected results under different assumptions affecting expenditure and income.

The Group's latest forecasts for the 12-month period to 30 September 2022 (the "going concern period") include severe but plausible downside scenarios with reduced grants throughout that period and increased expenditure. The directors consider that, even under the downside scenarios the Group and the Company maintain sufficient cash reserves to meet their liabilities as they fall due for the duration of this period. Based on these considerations, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

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 and judgements 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:

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 ACCOUNTING POLICIES (CONTINUED)

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

Significant accounting policies

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and 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 life of each part of an item of tangible fixed assets.

The estimated useful lives for different categories of tangible fixed asset 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 the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Website development costs

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites, and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used solely for advertising and promotional purposes are written off as they are incurred.

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.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss. Foreign exchange gains and losses that relate to the translation at year-end exchange rates of non-monetary items are recognised in other comprehensive income.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1 ACCOUNTING POLICIES (CONTINUED)

Turnover

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

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

Interest income

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

Taxation

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

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

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

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

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

Provisions

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

Financial instruments

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

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost less impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (less transaction costs) and subsequently held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 ACCOUNTING POLICIES (CONTINUED)

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.

2 TURNOVER

Turnover for the year was derived from the principal activities of the Group as explained in the Strategic Report and is analysed by business area as follows:

	2020	*2019*
	$000	*$000*
Government Advisory	**39,993**	39,706
Policy Futures	**4,377**	5,780
Other	**1,143**	834
	45,513	46,320

3 OPERATING DEFICIT BEFORE TAXATION

The deficit on ordinary activities before taxation is stated after:

	2020	*2019*
	$000	*$000*
Auditor's remuneration		
Audit of these financial statements	**86**	79
Fees for other, non-audit services	**84**	113
Operating lease rentals		
Land and buildings	**3,084**	3,077
Other equipment	**699**	651
Depreciation of tangible fixed assets	**294**	130
Foreign exchange differences	**131**	639
	4,378	4,689

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

4 DIRECTORS' REMUNERATION

During the year, the Group had four directors (2019: six) including ACL Blair, who does not receive any remuneration from the Group for his services. The remaining three directors of the Parent Company received a total remuneration for the period of $679,000 (2019: $487,000). The total remuneration was paid by the Parent Company as all related to services provided to the Parent Company.

	2020 *$000*	*2019* *$000*
Aggregate remuneration	**655**	468
Defined contribution pension contributions	**24**	19
	679	487

The remuneration for the highest paid director was $449,000 (2019: $383,000). Defined contribution pension contributions of $15,000 (2019: $15,000) were also made in respect of the highest paid director.

5 STAFF COSTS

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

	Number of employees	
	2020	*2019*
Government Advisory	**154**	117
Policy Futures	**52**	51
Strategy & Execution	**34**	32
Institute Resources	**27**	31
Total	**267**	231

Employment costs of all employees of the Group, including both permanent and locally contracted staff, comprised:

	2020 *$000*	*2019* *$000*
Wages and salaries	**28,421**	22,147
Social security costs	**1,249**	1,193
Pension costs	**446**	427
	30,116	23,767

Included in Wages and salaries are $248,000 (2019: nil) of redundancy costs incurred during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6 TAX ON DEFICIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the period

	2020	*2019*
	$000	*$000*
UK Taxation		
UK Corporation tax	17	4
Double taxation relief	(17)	(4)
Adjustment in respect of prior period	11	-
	11	-
Foreign Taxation		
Foreign taxation	589	377
Adjustment in respect of prior period	(22)	6
	567	383
Total tax charge on deficit on ordinary activities	578	383

A deferred tax asset has not been recognised in respect of tax losses carried forward and other timing differences, as in the opinion of the directors, it is not possible to conclude that it is more likely than not that any deferred tax asset would be recovered in the foreseeable future.

(b) Factors affecting total tax charge

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

	2020	*2019*
	$000	*$000*
Deficit before taxation	(2,702)	(465)
Total tax charge on deficit on ordinary activities	578	383
Deficit before taxation multiplied by the standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	(513)	(88)
Effect of:		
Fixed asset differences	33	19
Non-deductible expenses	31	70
Other permanent differences	(83)	(64)
Company foreign tax	571	377
Deferred tax asset not recognised	550	61
Adjustment in respect of prior periods	(11)	6
Effect of tax rate differences	-	2
Total tax charge on deficit on ordinary activities	578	383

(c) Factors that may affect future tax charges

In the Budget of 3 March 2021, it was announced that the corporation tax would be increasing to 25% for periods commencing 1 April 2023. This has not yet been substantively enacted. The unrecognised deferred tax balances were included within the accounts with reference to the rate of 19% (2019: 19%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

7 TANGIBLE FIXED ASSETS

Group and Company

	Leasehold improvements $000	*Plant and Equipment $000*	*Fixtures & fittings $000*	*Total $000*
Cost				
Balance at 1 January 2020	2,101	296	350	2,747
Additions	-	5	-	5
Disposals	-	(197)	-	(197)
Effect of movements in foreign exchange	72	10	12	94
Balance at 31 December 2020	**2,173**	**114**	**362**	**2,649**
Depreciation and impairment				
Balance at 1 January 2020	(940)	(194)	(134)	(1,268)
Depreciation charge for the year	(162)	(75)	(57)	(294)
Disposals	-	197	-	197
Effect of movements in foreign exchange	(42)	(12)	(9)	(63)
Balance at 31 December 2020	**(1,144)**	**(84)**	**(200)**	**(1,428)**
Net book value				
At 1 January 2020	1,161	102	216	1,479
At 31 December 2020	**1,029**	**30**	**162**	**1,221**

8 INVESTMENTS

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

The Parent Company has a £1 share (representing a holding of 100%) in TBIGC Limited which is incorporated and domiciled in the UK.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

9 DEBTORS

	Group		*Company*	
	2020	*2019*	***2020***	*2019*
	$000	*$000*	***$000***	*$000*
Trade debtors	**3,518**	4,553	**3,496**	4,526
Prepayments and accrued income	**9,023**	4,651	**8,994**	4,634
Amounts due from other Group companies	**-**	-	**1,790**	429
Other debtors	**4,123**	2,219	**2,712**	2,202
	16,664	11,423	**16,992**	11,791

All amounts shown under debtors fall due for payment within one year, except for property rental deposits totalling $1,749,000 (2019: $1,657,000) which are due after more than one year (Group and Company). All amounts due from other Group companies are held on an arm's length basis and are receivable on demand with no set repayment date. No interest is charged on such balances.

10 CREDITORS

	Group		*Company*	
	2020	*2019*	***2020***	*2019*
	$000	*$000*	***$000***	*$000*
Trade creditors	**1,429**	1,592	**1,380**	1,590
Accruals and deferred income	**35,726**	24,190	**35,591**	24,127
Taxation and social security	**336**	460	**332**	428
Other creditors	**89**	1,904	**78**	1,892
	37,580	28,146	**37,381**	28,037

All amounts shown under creditors fall due for payment within one year (Group and Company).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

11 PROVISIONS

Group and Company

	Dilapidations	*Doubtful debts*	*Total*
	$000	*$000*	*$000*
Balance at 1 January 2020	516	95	611
New provisions in year	-	5	5
Unwinding of discount	11	-	11
Utilisation of provision during period	-	(98)	(98)
Effect of movements in foreign exchange	18	3	21
Balance at 31 December 2020	**545**	**5**	**550**

A provision is recognised in respect of trade debtors where the probability of recovery is doubtful.

A provision is recognised in respect of reinstatement obligations relating to leasehold properties (i.e., dilapidations). The balance of this provision at 31 December 2020 is the discounted present value of the amount expected to be required to settle the obligation at the end of the lease term.

12 LIABILITY OF MEMBER

Tony Blair Institute is a Company limited by guarantee and has no share capital. ACL Blair was the sole subscribing member at 31 December 2020 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.

13 LEASE COMMITMENTS

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

Group and Company

	2020	*2019*
	$000	*$000*
Not later than one year	**2,210**	2,222
Later than one year and not later than five years	**6,749**	6,509
Later than five years	**2,214**	3,750
	11,173	12,481

During the year, $3,783,000 was recognised as an expense in respect of operating leases (2019: $3,728,000). These leases relate predominantly to leasehold property, including office premises and accommodation for overseas employees.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

14 FINANCIAL INSTRUMENTS

(a) Financial assets measured at amortised cost

	Group		*Company*	
	2020	*2019*	***2020***	*2019*
	$000	*$000*	***$000***	*$000*
Trade debtors	**3,518**	4,553	**3,496**	4,526
Amounts due from other Group companies	**-**	-	**1,790**	429
Accrued income	**7,041**	3,364	**7,012**	3,364
Other debtors	**3,886**	2,219	**2,474**	2,202
	14,445	10,136	**14,772**	10,521

(b) Financial liabilities measured at amortised cost

	Group		*Company*	
	2020	*2019*	***2020***	*2019*
	$000	*$000*	***$000***	*$000*
Trade creditors	**1,429**	1,592	**1,380**	1,590
Other creditors	**9,327**	6,544	**9,177**	6,447
	10,756	8,136	**10,557**	8,037

15 RELATED PARTY TRANSACTIONS

The Company charged an amount of $123,000 (2019: $122,000) to Blair Partnership, which operates and manages all the commercial activities of ACL Blair and of which ACL Blair is a partner. This charge was made in respect of office occupancy, communications, logistics support, travel and events planning, and legal and finance services provided by employees to ACL Blair in his personal capacity. At 31 December 2020 there was no balance receivable by the company (2019: $122,000).

Milltown Partners LLP (under the control of a Group director) provides strategic communications advice to Tony Blair Institute. During the year, the Company paid Milltown Partners LLP $51,000 (2019: $153,000) for services rendered. At 31 December 2020 there was a nil balance receivable by the Company (2019: nil).

Key management personnel for the year ended 31 December 2020 were the directors of the Group. The remuneration of the directors is disclosed in Note 4 to the Financial Statements. ACL Blair received no remuneration.

16 PENSION LIABILITY

The Group provides a defined contribution pension scheme for its employees. The pension cost for the year was $446,000 (2019: $427,000). Outstanding contributions at 31 December 2020 totalled $84,000 (2019: $49,000).

17 CONTROLLING PARTY

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