

Company number: 8871642

Charity number: 1157318

CGD Europe

Report and financial statements

For the year ended 31 December 2020

[PDF](#) [HTML](#) [XLS](#) [PPT](#)

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Reference and administrative information

For the year ended 31 December 2020

Company number	8871642	
Charity number	1157318	
Registered office	10 Queen Street Place, London EC4R 1BE	
Operational Address	1 Abbey Gardens, Great College Street, London SW1P 3SE	
Country of registration	England & Wales	
Country of incorporation	United Kingdom	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Masood Ahmed	Chair & Trustee (Appointed 1 February 2017)
	Stephen Brooker	Trustee (Appointed 28 February 2014)
	Dame Sue Owen	Trustee (Appointed 25 February 2015)
	Ellen Mackenzie	Trustee (Appointed 24 September 2014)
	John Lipsky	Trustee (Appointed 23 May 2019)
	Shalia Leekha	Trustee (Appointed 12 September 2019)
Key management personnel	Amanda Glassman	Chief Executive
	Mark Plant	Chief Operating Officer
	Reetan Patel	Chief Finance, Planning and Operations Officer
Bankers	HSBC Bank Plc 16 King Street, Covent Garden, London WC2E 8JF	
Solicitors	Bates Wells LLP 2– 6 Cannon St London, EC4M 6YH	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London, EC1Y 0TL	

Objectives and Activities

The objectives of CGD Europe, as set out in its Memorandum and Articles of Association, are to promote, for the public benefit, education and research into:

- poverty;
- health;
- sustainable development;
- economics;
- good governance and transparency in public life and administration; and
- public finance (including social finance); and to
- publish and disseminate the useful results of such research.

Sustainable development means “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.”

CGD Europe aims to achieve its objectives by carrying out rigorous, evidence-based research into a topic or idea, bringing together experts and stakeholders in a particular area to facilitate discussions and analysis, producing detailed reports and analysis, and disseminating the products of our work. CGD Europe's research is carried out by a mixture of its own staff and external consultations, often with academics based at universities and other educational institutions who have experience and qualifications in the field of research, and in collaboration with other experts in that field.

CGD Europe's Objectives for 2020

CGD Europe produces research which informs policymakers and others about the impact of high-income countries and international institutions on the world's poor. Such research leads to new evidence to underpin policy debates as well as practical ideas and innovations that may contribute to reductions in poverty and improvements in living conditions for the world's poorest people. This year, CGD Europe's policy and research work has covered the following activities:

1. Aid effectiveness – establishing a new quality of aid index.
2. Commitment to Development Index – promulgating CGD's annual index on how high-income countries policies contribute to development.
3. European aid architecture – in a time of political change in Europe, identifying the opportunities for the European Union to play a more effective role in global development through changes in its bureaucratic architecture, aid instruments and policy advice.
4. Global Education – promoting improved value in global education spending.
5. Global Health – promoting improved value in global health spending.
6. Migration – Pursuing global skills partnerships between developed and developing countries.
7. Sustainable Development finance – exploring the modalities of accelerating financing flows to developing countries in pursuit of the Sustainable Development Goals.
8. UK development and trade policy following Brexit – identifying the challenges and opportunities for the UK to remain a strong voice in global development after it leaves the European Union and for its trade policy vis-à-vis developing countries.

In all these areas, the response to the health and economic crises caused by the COVID-19 pandemic was a major focus of our work as low- and middle-income countries struggled to cope with the health impact and meet the increased demands for economic support from their populations during the crisis.

As well as these research objectives, CGD Europe expanded its staffing, particularly in its education and health programmes, strengthened its outreach both in the UK and in Europe and increasingly worked closely with a variety of think tanks and international organizations on common analyses of and solutions to difficult policy problems.

Like most charities, CGD Europe has had to navigate the uncertainty and challenges of COVID-19, CGD Europe made the transition to a working-from-home environment seamlessly. Our physical offices were closed, cleaned, and secured. All staff members are now working from home effectively, thanks to having established work-from-home capacity in advance of the current crisis. The office has been prepped for reopening in a socially distanced work environment when in-office work is permitted. Regular staff meetings and collaboration is taking place virtually. In 2020, we recorded record numbers of publications, media citations, events, and interactions with policy makers, and CGD and CGD Europe secured funding for 2021 and 2022. Further details on the impact of COVID-19 on our research, operations and finances are provided further down in this report.

Public Benefit

In setting the objectives above and planning CGD Europe's activities, the Board of Trustees of CGD Europe have given careful consideration to the guidance contained in the Charity Commission's general guidance on public benefit. Details on the impact of our work can be found under the 'Results of CGD Europe's Work in 2020' section on page 4.

Achievements and Performance

CGD Europe focuses on research which may lead to practical steps that can be taken to improve the well-being of the world's poorest people. It is inevitable that the conclusions of research cannot be known before it is undertaken. Our research strategy recognises that sometimes we may not be able to identify practical solutions, and that those ideas may not be taken up. On the other hand, the ideas which we have developed that are successful will have far-reaching benefits for many people.

In many ways our model is analogous to a research-based pharmaceutical company, which supports a portfolio of initiatives, recognising that some of them will not be successful, in the expectation that a small number of them will be blockbusters. At the same time, we invest in creating an environment for more informed science as well as future success, by more basic research which helps accumulate knowledge which helps to identify candidate drugs in the future and helps determine which are the most promising.

CGD Europe invests in analysing and researching the broader evidence base, to help to identify promising leads for the future, and in more specific research on reforms with direct impact. Our outputs are research which identifies practical proposals which would reduce poverty and improve the health and well-being of the poor or that would change the evidence on which policies to reduce poverty and improve well-being are based; our outcomes are the resulting changes in policies or behaviours; and our impact is the improvement in the lives of people around the world – for example, through reduced poverty and better health – as a result of those better policies and behaviour.

The intended audience for much of our research is policymakers in governments and international institutions seeking to identify ways in which they can adjust their own practices, policies and behaviour to avoid unintended negative consequences on developing countries, or make faster progress on their policies to promote and spread prosperity globally.

Results of CGD Europe's Work in 2020

In 2020, CGD Europe produced research and ideas that have contributed to improve the evidence base and its use in policy debates, and have generated ideas that have been discussed and sometimes adopted in international agencies:

European Policy team:

CGD Europe's European policy team has generated timely and relevant evidence which has positively informed several major decisions on the UK's and EU's development approaches. Our work on the creation of the Foreign, Commonwealth and Development Office (FCDO) and Integrated Review has been read and discussed by Ministers and key senior officials. Our research was drawn on extensively in Parliamentary reports, particularly on aid effectiveness; and our work on the Independent Commission for Aid Impact helped inform the Government's recent review of its focus. We continued to chart the evolution and outcomes of the EU budget negotiations and implications for the EU's future role in development, and we developed a new proposition for European development cooperation, setting out bold ideas for what role Europe can play in post-COVID reconstruction in Africa, what post-crisis collective action is required, and what part of the current international leadership vacuum "Team Europe" can realistically fill. With wide circulation and discussion amongst European Bank for Reconstruction and Development's stakeholders and management, our interviews of the candidates for the Presidency of the Bank brought some transparency to the process and likely had an influence over the final decision. A revised edition of Commitment to Development Index (CDI) was published in the summer of 2020, reflecting a major update of the component variables, and an expanded country coverage to include new major economies in the G20, notably China. As part of our new work on climate and concessional finance, the team started working on a review of development agencies approaches to climate; as well as an assessment of the \$100bn climate commitment and a review of evaluations on the effectiveness of that spend.

Global Education team:

The Global Education Program focuses on broad welfare goals and seeks to understand the role education can play in addressing inequity. In 2020, we produced a wide range of timely and policy-relevant public goods on topics including [girls education](#), [child safety and wellbeing in school](#), [exam reform](#) and [cross-country measurement of skills](#). We also launched new and built on existing research partnerships with institutions in Africa and South Asia, strengthening our collaborations with southern scholars and bringing more diverse perspectives into our work.

Alongside, we produced a range of work in response to COVID-19, studying the impact of school closures on educational outcomes and the short and potential long-term impacts on education financing. Highlights include a [series on education finance](#), a set of [phone surveys](#) measuring the impact of COVID-19 school closures in Pakistan and a [publicly available tracker](#) providing information on school closures and reopening following the COVID-19 pandemic.

Global Health Policy team:

In 2020, the Global Health Policy Programme (GHP) worked on delivering both innovative new projects related to [COVID-19](#) and furthering previous work such as helping to institutionalising evidence informed decision making through Health Technology Assessment (HTA) in a selection of low- and middle-income countries and bolstering global public goods for health. The CGD Europe team played an instrumental role in establishing the [COVID-19 Multi-model Comparison Collaboration](#) (CMCC)—an international consortium, which aims to ensure the appropriate use of models to inform policy responses and public communication in LMICs. We also brought much-needed attention and policy ideas to how policymakers can protect public spending and provision of routine essential health services during the pandemic. Key efforts include a tool to estimate the net health impact of COVID-19 policies; an open inventory of the knock-on health system impacts; and an assessment of supply chain disruptions for essential medicines caused by the pandemic. The GHP has produced a range of analysis regarding the development and delivery of COVID-19 vaccine—from global-level work using [mathematical modelling analysis](#) to estimate timelines and probabilities of success of COVID-19 vaccines and timely commentary on global access and distribution issues, to country-level work in collaboration with local researchers to generate evidence for decision makers on identifying and quantifying which vaccination strategy will be optimal and cost-effective. Finally, the [International Decision Support Initiative](#) (iDSI), housed at CGD Europe, has been supporting countries to make better resource allocation decisions amidst intensified budgetary pressures. Highlights include working collaboratively to establish a health economics unit at the Africa Centers for Disease Control to inform preparedness, surveillance, and response investments; advising the Kenyan government on the costs of scaling up COVID-19 treatments in partnership with the Kenya Medical Research Institute (KEMRI); and supporting the Government of India to consider priorities in its national health insurance scheme.

Migration, Displacement, and Humanitarian Policy (MDHP) team:

The Migration, Displacement, and Humanitarian Policy Program's **migration workstream** achieved two new [Global Skill Partnership](#) (GSP) pilots and expansion of the Australia Pacific Training Coalition (APTC), with two other pilots expected in 2021. We also focused on changing the narrative regarding migration and development and pandemics and mobility. The **displacement workstream** focused on instilling a development-led approach to the Rohingya crisis in Bangladesh and expanding refugee [Labor Market Access](#). Both projects produced numerous outputs and held high-level meetings, translating into positive feedback on our findings. We also were successful in winning a new five-year grant, producing one of the largest RCT's showing what works in livelihood interventions for refugees in urban East Africa. The **humanitarian workstream** aimed to improve the [impact of the humanitarian system](#) by investigating and shifting incentives. We defined key stakeholders early on and continuously engaged them through workshops, conversations, and dissemination, which proved important for policy uptake. We have also received substantial interest from key donors, like Australia, Norway, and the UK, to reform practices.

Sustainable Development Finance (SDF) team:

During 2020 the Sustainable Development Finance Programme's work focused on the analysis of [the COVID-19 pandemic financial response](#) and the policy responses and mechanisms to mobilize greater resources for the post-COVID recovery. The SDF team analysed the role of the private sector, international financial

institutions, development finance institutions and governments (DRM) in increasing resources to meet the needs of developing countries during and after the economic crisis caused by the pandemic. The programme also continued its work on the [macroeconomics of climate change and climate finance](#), with special focus on the role of the IMF in developing the medium-term macroeconomic and financial frameworks for a sustainable recovery. Finally, the SDF team initiated two new workstreams: analytical work [to strengthen strategic and policy collaboration in fragile and conflict prevention situations](#) between UN, World Bank, and the IMF; and analytical work on the uses of [concessional financing in MICs](#), developing a set the principles for guiding the allocation of aid across the country income spectrum.

Financial and Operational Review

Financial Performance

Income

Our income in 2020 was £8,258,728. While COVID-19 has made 2020 a difficult and challenging year, CGD Europe's expertise in areas such as global health and education have allowed it to raise funds from new funders to support COVID-19 related research and more. We have also benefited from our continued efforts to diversify our income base across other programmatic areas, which includes grants from governments and foundations. In addition, CGD Europe receives funds from the Center for Global Development to support operations and deliver elements of grants it has received.

Expenditure

CGD Europe spent £5,513,510 in 2020, with the highest proportion of expenditure on staffing, the average number of employees has increased significantly over the past 12 months from 26 staff in 2019 to 40 as of 31st Dec 2020. Our achievements with this expenditure are set out earlier in this report.

As at 31 December 2020, the overall results show a £2,745,218 surplus for the year, the majority of which is explained by the fact CGD Europe received a large amount of restricted income, as an advance payment, for use in 2020 and subsequent years, as was the case for the Bill & Melinda Gates Foundation funded iDSIPlus and HTA in India projects.

The total funds carried forward at the end of the year was £3,821,476. This includes £3,630,969 of restricted funds for use in future years and £190,507 of unrestricted funds.

COVID - 19 has resulted in a slow spend of restricted funds, due to a reduction in travel and face-to-face events, as well rescheduling of some activities to 2021. Restricted funds carried forward at the end of the year will be used for specified purposes as agreed with funders. A full description of each fund can be found in note 15a to the Financial Statements.

Grants Payable

Grants payable are payments made to third parties ('sub-grants') in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

CGD Europe uses sub-grants to partner with other institutions that can bring different and complementary skillsets to help us achieve our education and research objectives. These may be research institutions who can offer local expertise and/or offer different skillsets such as specialist knowledge of a research area outside of CGD Europe's fields of expertise. Subgrants ensure that CGD Europe can achieve policy goals effectively through broadening the scope of our research and bringing it to new or different audiences. All new sub-grantees are subject to due diligence checks and sub-grant monitoring takes place throughout the year.

Pensions

CGD Europe contributes to a WorkSave Pension Scheme with Legal and General.

Operational Performance

We continue to improve our processes, systems, and information–technology services to aid our charitable activities and objectives. To support the ongoing activities of our multi–partner grants we strengthened our partner due diligence processes, and also rolled–out our new cloud–based HR information management system that allows us to automate parts of the HR function and run various workforce reports.

Throughout the last year, CGD Europe staff members have worked from home and all events have been held in a virtual format. The transition to remote working was seamless. New staff members were hired and on–boarded remotely. Managers were instructed to allow flexible work hours for those staff members who had new family obligations as a result the closure of schools and some care facilities. Regular office–wide and team meetings ensured that staff members were healthy and able to work productively. During the summer, when government regulations permitted, some teams held socially–distanced outside meetings. Online social events were held to help keep some office cohesion. Periodic surveys were used to check staff morale and attitudes.

Principal Risks and Uncertainties

To fulfil CGD Europe's objectives, safeguard its staff, and to meet the charities' obligations to those who give it funding, in 2015 the trustees of CGD Europe established a risk management strategy. This strategy comprises:

- An annual review of the risk register – principal risks and uncertainties that the charity face;
- The establishment of policies, procedures, and systems to mitigate those risks identified in the annual review;
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise; and
- The delegation of day–to–day management of risks (including operational, financial, and external) to CGD Europe's executive team, in consultation with CGD Europe's Board of Trustees and CGD communications.

In 2020 CGD Europe's executive team reviewed the risk register and the levels of risk probabilities and impact were discussed and approved by the trustees in April 2020, with further amendments approved in December.

Financial sustainability remains a medium financial risk for CGD Europe. Additional resources to support CGD Europe's fundraising efforts have been allocated to help address this risk. Key elements in financial risk management to ensure solvency and sufficient working capital include:

- Regular review of available funds,
- Relationship building with existing donors and potential new donors,
- Controlling operating costs to match budgeted levels.

CGD Europe's executive team and the trustees also considered the potential risk associated with the ongoing litigation matter, as well as the impact Brexit. This is reflected in the risk register.

COVID-19 and its impact on CGD Europe's operations and programme activities, and on staff morale and well-being, is also reflected in the risk register, along with our mitigation strategies.

Statutory Fundraising Disclosures

CGD Europe does not engage in public fundraising and does not use professional fundraisers (external parties) or commercial participators, and instead we have a dedicated fundraising team that focuses on institutions such as foundations and government bodies. CGD Europe nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and CGD Europe received no complaints relating to its fundraising practice.

Reserves Policy

In assessing the overall level of reserves, the trustees aim at all times to maintain sufficient unrestricted funds to help in safeguarding CGD Europe's ongoing work. In 2019, the trustees set a target for reserves to cover three months' future expenditure (£213,000) with the aim of reaching this level over 3 years. As at 31 December 2020, net current assets ('free unrestricted funds') were £157,715. The Trustees will continue to monitor the level of reserves and are confident that the target will be met by the end of 2022. In December 2020, the Trustees agreed to allocate 50% to our reserves and for the remaining funds to be made available for use against support and governance expenditure in 2021.

Going Concern

We have set out above a review of CGD Europe's financial performance and the general reserves position. CGD Europe's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We are confident that with a strong pipeline of confirmed multi-year grants and the ongoing support of CGD in Washington, we will be able to safeguard CGD Europe's ongoing work. We have a reasonable expectation we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt CGD Europe's ability to continue in operation. Accordingly, the accounts have been prepared on the basis that CGD Europe is a going concern.

Future Plans

The COVID-19 pandemic has changed the global economic and social outlook fundamentally and its full impact is not well understood. The immediate economic costs of the virus were high in 2020, but the longer-term effects are uncertain. CGD Europe, in close coordination with our colleagues at CGD, has already brought to bear its expertise in global health, pandemics, education, and development policy to the immediate problems faced by developed and developing countries in dealing with COVID-19. Our presence in broadcast and print media, as well as on the internet, was unprecedented during 2020 and numerous new funders have reached out to us to support our work.

Progress towards the 2030 Sustainable Development Goals (SDGs) had been modest before the health crisis and 2020 saw major setbacks in low- and middle-income countries in health, education and social outcomes, jobs and economic growth, with the decade-long trend in slow but steady poverty reduction being reversed. In one year, a decade's progress has been lost. While high-income countries have had the policy tools and financial wherewithal to "spend big" to fight the crisis, most low- and middle-income countries have been unable to respond with the timeliness and scale needed to protect their populations from the economic and social damage brought by the COVID19 virus. While 2021 is bringing great hope in the developed world for vaccines to begin to put the health problems to rest, developing countries are struggling to mobilize the resources need to purchase and administer vaccines at scale. And many donors, facing financing difficulties at home, are cutting back on their development assistance.

2021 will be a turning point for the world with key decisions to be made about how to emerge from the COVID19 crisis and enter a period of recovery. Will the spirit of multilateralism be revived, with the recognition that recovery and advancement of low- and middle-income economies are not that costly at the global scale and are squarely in the global interest? Or will the countries of the world turn inwards and erect the physical, financial and trade barriers that may erode the global economy that has fuelled progress for most since the end of World War II? Will we look to build a future global economy that is sustainable and cooperative, or will the unsustainable aspects of production and consumption patterns of the last few decades continue?

Through evidence-based policy innovation emerging from independent, rigorous research, and effective partnerships, in 2020 and beyond, CGD Europe will help shape the landscape of development and other kinds of cooperation to meet these new challenges.

In 2021, CGD Europe will focus its policy and research expertise on the following strategic areas:

European Policy team:

- Our European development policy and finance research will focus on tracking Europe's response to the crisis in Africa and setting out proposals for what role Europe can play in reconstruction and what post-crisis collective action is required; analysing and influencing the design and allocation of EU development finance instruments and modalities for maximum development impact; analysing and developing proposals for a more comprehensive and coordinated European development finance architecture.

- We will continue to undertake research and analysis to guide the UK's aid and multilateral role: providing analysis around the approach to aid cuts; on optimising FCDO's approach; its G7 and COP roles; and on implementing the forthcoming Integrated Review and delayed spending review.
- CGD Europe's research will also focus on tracking targets and use of concessional finance for climate; and undertaking analysis to improve the effectiveness of agencies and aid spent on mitigation and adaptation.
- Producing quantitative analysis on the performance of the development system, including an update of the Commitment to Development and Quality of Aid Indices, and an update of the new Finance for Development measure covering emerging actors.

Global Education team:

- Through our two flagship products for 2021 – reports on girls' education and SDG4 – the programme will influence donors and policy maker to prioritise the equalisation of life outcomes for children through their policy and spending decisions.
- We will continue to build our research collaborations with institutions in Africa and Asia, publishing a range of rigorous and policy-relevant products and supporting partners to influence domestic education policy in the wake of COVID-19.
- We will expand and deepen our research on child wellbeing and getting children into school, aiming to increase the prominence and priority of these goals by the global education community.
- Our research on the preferences and knowledge of education policy makers in developing countries will be published and we will undertake further research and policy-work to influence the global aid architecture to better understand and engage with domestic education policy priorities.

Global Health Policy team:

- Through continued research and policy analysis, the program will focus on how donors, countries and international institutions can better balance their response to COVID-19 needs alongside protecting core GH priorities. This includes case studies in Kenya, Philippines, South Africa, Uganda and finalising our report on **protecting essential health services** during COVID-19.
- **Support global, regional and national decision makers to set priorities regarding COVID-19 vaccines and treatments**, including completion of a synthesis report for Africa CDC on COVID vaccines, and a cost-effectiveness study on emergency and essential critical care for COVID patients. Further, the programme will continue to provide global level analyses and commentary around financing, procurement, and distribution challenges related to vaccines.
- **Strengthen priority-setting and value-for-money** at the country (and regional) level. For 2021, iDSI will scale up our support to two regional hubs– Africa CDC, and in Kenya and will deliver on existing commitments to countries in Sub Saharan Africa and India, whilst exploring new foundational partnerships in Ethiopia, Gabon, Senegal, Nigeria and Uganda.
- **Provide insights and analysis** to guide the FCDO's decision to reduce aid to 0.5%, and to identify short and medium-term opportunities for the Biden-Harris administration to reengage on global health priorities;
- Bolstering **global public goods for health** within the following areas:
 - Improved financing for pandemic prevention, preparedness, and response,
 - Advancing the agenda on health taxes among the international financial institutions.

Migration, Displacement, and Humanitarian Policy team:

Migration

- Promote the Global Skill Partnership concept through research and advocacy, and support Michael's general migration research.
- Identify the impact of climate change on employment in certain sectors, and people's decision to migrate.
- Explore whether additional legal pathways reduce irregular flows.
- Explore how to strengthen aid-supported technical and vocational education and training (TVET) programs by connecting them to the regional and international mobility of trainees.
- Continue outreach looking to understand and shape legal labour migration both within sub-Saharan Africa and between sub-Saharan Africa and Europe.

Displacement

- Expand economic inclusion for refugees and forced migrants.
- Generate and disseminate evidence on livelihoods programming.
- Evaluate the effectiveness of Ethiopia's new refugee law and associated programming.

Humanitarian

- Develop vision for humanitarian field delivery, financing, and governance reform.
- Propose new models for donors to enhance the performance and accountability of humanitarian multilateral institutions.

Sustainable Development Finance team:

- The SDF team will continue its analytical work on the financial response to COVID-19, the role of the private sector, IFIs, donors and governments in increasing resources to efficiently meet the needs of developing countries and ensure a sustainable recovery.
- We will continue engaging with IFIs, MDBs and development actors to raise awareness of the challenges of the international financial system and advocate for greater cooperation and aligned policy responses and financing mechanisms to help LICs and MICs steer the economic recovery.
- We will work on developing partnerships and actively engage with the international development community on climate finance by producing analytical work on macroeconomics of climate and the role of the IMF and the international financial system in building a sustainable economic order post-COVID.

CGD Europe will also look for areas to improve its operational performance, including: the transition to a new financial management system and strengthening its human resource and financial management processes, as well as continued effort to strengthen its network with organisations, individuals, start-ups focusing on international development and open government issues.

CGD Europe will continue to seek flexible financing, enabling it to continue to pursue high-quality research and evidence-driven policy proposals.

Structure, Governance and Management

CGD Europe (the Charity) is a charitable company limited by guarantee, incorporated on 31 January 2014, and registered as a charity on 4 June 2014.

Appointment of Trustees

CGD Europe is governed by a Board of Trustees, chaired from 1st February 2017 by Masood Ahmed (and by Nancy Birdsall before that). The Trustees of CGD Europe are appointed by the Center for Global Development (CGD) based on nominations received by CGD Europe staff and current Trustees. The leadership of CGD Europe, with input from the Board of Trustees, are responsible for screening candidates and making recommendations. CGD Europe aims on having the appropriate balance of skills and experience on the Board Trustees, whilst ensuring diversity. The Trustees hold office for a term of three years – or until he or she ceases to hold office in accordance with Article 26 of CGD Europe's Memorandum and Articles of Association; they may be reappointed twice. At least two Trustees must be individuals who are not on the board or governing body of CGD – nor paid employees or consultants of CGD.

CGD Europe regularly reviews Charity Commission guidance on appointment and induction of new Trustees and strives to keep policies and practices consistent with best practice.

The Trustees set strategic direction and ensure CGD Europe achieves its objectives. The Trustees oversee governance and are responsible for ensuring that the Charity pursues its charitable purpose effectively. The day-to-day running of the Charity is delegated by the Trustees to the Chief Executive, Amanda Glassman.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Trustee Induction and Training

In consultation with existing trustees, the Chief Executive, agrees to implement an individual induction programme for each new CGD Europe trustee, covering all aspects of the role and the organisation.

Related Parties and Relationships with Other Organisations

CGD Europe was established by the Center for Global Development (CGD)– a U.S. non-profit think tank based in Washington, D.C., USA. CGD is the sole company law member of CGD Europe. The Trustees of CGD Europe are however responsible for CGD Europe's management and ensuring that the charity fulfils its charitable objects. CGD Europe and CGD have closely aligned objects and the Trustees of CGD Europe therefore consider that it is in the charity's interest to work with CGD on joint projects and initiatives. CGD Europe also receives financial support from CGD in the form of donations and sub-grants.

Remuneration Policy for Key Management Personnel

The directors consider the board of directors, who are CGD Europe's trustees, and the senior management team the key management personnel of the charity in charge of directing and controlling, running and operating the charity.

The pay of the senior staff is reviewed annually. CGD Europe pays staff a fair salary that is competitive with the charity sector, proportionate to the complexity of each role, and responsible in line with our charitable objectives.

Trustees' annual report

For the year ended 31 December 2020

Statement of Responsibilities of the Trustees

The trustees (who are also directors of CGD Europe for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the finance statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 13th April 2021 and signed on their behalf by

Name: Stephen Brooker

Position: Trustee

Opinion

We have audited the financial statements of CGD Europe (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on CGD Europe's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being

satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

Independent auditor's report

To the members of

CGD Europe

- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Noelia Serrano (Senior statutory auditor)

11 May 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations		2,167	–	2,167	1,100	–	1,100
Charitable activities	2	650,212	7,606,349	8,256,561	802,011	2,224,308	3,026,319
Other Trading activities	3	–	–	–	723	–	723
Total income		652,379	7,606,349	8,258,728	803,834	2,224,308	3,028,142
Expenditure on:							
Raising funds	4	114,561	–	114,561	56,785	–	56,785
Charitable activities		366,803	5,032,146	5,398,949	742,836	3,348,615	4,091,451
Total expenditure	4	481,364	5,032,146	5,513,510	799,621	3,348,615	4,148,236
Net income / (expenditure) for the year	6	171,015	2,574,203	2,745,218	4,212	(1,124,307)	(1,120,095)
Transfers between funds		3,546	(3,546)	–	13,866	(13,866)	–
Net movement in funds		174,561	2,570,657	2,745,218	18,078	(1,138,173)	(1,120,095)
Reconciliation of funds:							
Total funds brought forward		15,946	1,060,312	1,076,258	(2,132)	2,198,485	2,196,353
Total funds carried forward		190,507	3,630,969	3,821,476	15,946	1,060,312	1,076,258

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet

Company no. 08871642

As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	11		32,792		47,846
			32,792		47,846
Current assets:					
Debtors	12	528,709		236,164	
Cash at bank and in hand		3,614,854		974,719	
		4,143,563		1,210,883	
Liabilities:					
Creditors: amounts falling due within one year	13	354,879		182,471	
Net current assets			3,788,684		1,028,412
Total net assets			3,821,476		1,076,258
The funds of the charity:	15				
Restricted income funds			3,630,969		1,060,312
Unrestricted income funds:					
General funds		190,507		15,946	
Total unrestricted funds			190,507		15,946
Total charity funds			3,821,476		1,076,258

Approved by the trustees on 13 April 2021 and signed on their behalf by

Stephen Brooker
Trustee

Statement of cash flows

For the year ended 31 December 2020

Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income (expenditure) for the reporting period (as per the statement of financial activities)	2,745,218	(1,120,095)
Depreciation charges	18,600	16,690
(Increase) in debtors	(292,544)	(228,088)
Increase in creditors	172,408	43,234
Net cash provided by (used in) operating activities	2,643,682	(1,288,259)

	2020 £	2019 £
Cash flows from operating activities		
Net cash provided by (used in) operating activities	2,643,682	(1,288,259)
Cash flows from investing activities:		
Purchase of fixed assets	(3,547)	(19,475)
Change in cash and cash equivalents in the year	2,640,135	(1,307,734)
Cash and cash equivalents at the beginning of the year	974,719	2,282,453
Cash and cash equivalents at the end of the year	3,614,854	974,719

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1 Accounting policies

a) Statutory information

CGD Europe is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 10 Queen Street Place, London EC4R 1BE and principal place of business is 1 Abbey Gardens, Great College Street, London, United Kingdom, SW1P 3SE.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include confirming the continuing support of the parent charity.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Trustees have reviewed the ongoing impact of the Covid-19 pandemic on the charity's operations and ability to continue as a going concern into the foreseeable future, and have concluded there are no material uncertainties in this regard.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. It is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

The charity is not VAT registered, and as such cannot recover VAT incurred on purchases.

j) Allocation of support and governance costs

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on direct expenditure, of the amount attributable to each activity:

- Raising funds 2%
- Charitable activities 98%

No support and governance costs were allocated to raising funds in the previous year (2019).

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|------------------------------|----------------------------|
| ● Leasehold Improvements | Straight line over 5 years |
| ● Computers and IT equipment | 20% on straight line basis |

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (continued)

p) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Grants payable are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

s) Foreign Exchange Transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

Notes to the financial statements

For the year ended 31 December 2020

2 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Center for Global Development (CGD) US	519,317	1,096,142	1,615,459	698,013	927,313	1,625,326
Asian Development Bank (Improving the Global Education Architecture)	–	44,007	44,007	–	–	–
Foreign, Commonwealth & Development Office (Improving the Global Education Architecture)	–	100,272	100,272	–	6,530	6,530
The ELMA Relief Foundation – (Covid-19 School Closures)	–	40,000	40,000	–	–	–
UBS Optimus Foundation –(Covid-19 School Closures)	–	39,867	39,867	–	–	–
The ELMA Foundation UK (The Educational Impacts of COVID-19)	–	160,000	160,000	–	–	–
Echidna Giving Fund via Schwab Charitable Fund	–	369,948	369,948	–	–	–
Bill & Melinda Gates Foundation (HTA in India)	–	794,560	794,560	–	–	–
Open Philanthropy Project Fund via CGD	–	82,798	82,798	–	–	–
Wellcome Trust via London School of Hygiene and Tropical Medicine	2,184	14,565	16,749	–	–	–
Swedish International Development Agency (SIDA)	–	528,666	528,666	–	–	–
Bill & Melinda Gates Foundation (Aid, Finance and Policies for Development) via CGD	–	1,840	1,840	–	–	–
The Multilateral Organisation Performance Assessment Network via CGD	–	8,126	8,126	–	–	–
Foreign, Commonwealth & Development Office (International Development Support Project) via CGD	21,002	145,032	166,034	–	–	–
Bill & Melinda Gates Foundation (UK)	–	481,851	481,851	–	709,126	709,126
Bill & Melinda Gates Foundation (US) via CGD	–	176,637	176,637	22,935	153,646	176,581
Foreign, Commonwealth & Development Office (Education Research in Conduct and Protracted Crisis)	–	–	–	–	19,102	19,102
Foreign, Commonwealth & Development Office (Humanitarian Policy Fund Secondment)	–	6,726	6,726	–	6,537	6,537
European Commission (RBF)	–	–	–	–	87,197	87,197
Norwegian Ministry of Foreign Affairs	–	–	–	–	159,913	159,913
Bill & Melinda Gates Foundation (IDSI plus)	–	3,390,935	3,390,935	–	–	–
Bill & Melinda Gates Foundation (Envisioning Europe's Global Development Leadership) – via CGD	39,504	–	39,504	–	–	–
Commitment to Development Index	–	124,380	124,380	–	154,945	154,945
Gift in Kind – CGD US	68,205	–	68,205	81,063	–	81,063
Total income from charitable activities	650,212	7,606,349	8,256,561	802,011	2,224,308	3,026,319

The gift in kind represents the value of staff time provided by CGD US.

3 Income from trading activities

	2020 Total £	2019 Total £
Other income	–	723
	–	723

All income from other trading activities is unrestricted

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities		Support & governance costs £	2020 Total £
		Unrestricted £	Restricted £		
Staff costs (note 7)	97,219	–	2,328,466	319,563	2,745,248
Other staff costs	–	–	40,106	29,007	69,113
Travel, subsistence & meetings	–	–	–	3,455	3,455
Projects Events	–	–	2,564	–	2,564
Project Consultants	–	18,609	582,903	–	601,512
Project Sub Awards (Note 5)	–	–	1,386,417	–	1,386,417
Project Travel & Subsistence	–	–	23,730	–	23,730
Other Direct cost	–	–	54,273	–	54,273
Premises costs	–	2,500	–	279,229	281,729
Office costs	–	–	–	14,850	14,850
IT costs	–	–	–	5,039	5,039
Legal & Professional	–	–	–	79,747	79,747
Governance costs	–	–	–	16,446	16,446
Other finance costs	–	–	–	469	469
Foreign exchange losses	–	–	136,155	–	136,155
Depreciation	–	–	–	18,600	18,600
Gift in Kind – CGD US	–	–	–	68,206	68,206
Other	–	5,957	–	–	5,957
	97,219	27,066	4,554,614	834,611	5,513,510
Support & governance costs	17,342	339,737	477,532	(834,611)	–
Total expenditure 2020	114,561	366,803	5,032,146	–	5,513,510

4b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities		Support & governance costs £	2019 Total £
		Unrestricted £	Restricted £		
Staff costs (note 7)	56,785	–	1,568,787	405,930	2,031,502
Other staff costs	–	–	228	31,507	31,735
Travel, subsistence & meetings	–	–	–	21,684	21,684
Projects Events	–	2,681	40,933	–	43,614
Project Consultants	–	–	197,389	–	197,389
Project Sub Awards (Note 5)	–	–	1,065,714	–	1,065,714
Project Travel & Subsistence	–	3,531	142,853	–	146,384
Other Direct cost	–	27	35,647	–	35,674
Premises costs	–	–	14,473	303,546	318,020
Office costs	–	–	–	13,966	13,966
IT costs	–	–	–	12,385	12,385
Legal & Professional	–	–	–	94,771	94,771
Governance costs	–	–	–	17,946	17,946
Other finance costs	–	–	–	594	594
Foreign exchange losses	–	–	19,105	–	19,105
Depreciation	–	–	–	16,690	16,690
Gift in Kind – CGD US	–	–	–	81,063	81,063
	56,785	6,239	3,085,129	1,000,083	4,148,236
Support & governance costs	–	736,597	263,485	(1,000,083)	–
Total expenditure 2019	56,785	742,836	3,348,614	–	4,148,236

5a Grant making to institutions (current year)

	Grants £	Support costs £	2020 £
Cost			
National Health Foundation	795,596	–	795,596
Kemri Wellcome Trust Research	80,318	–	80,318
Clinton Health Access Initiative	84,508	–	84,508
Center for Global Development	425,995	–	425,995
At the end of the year	<u>1,386,417</u>	<u>–</u>	<u>1,386,417</u>

5b Grant making to institutions (prior year)

	Grants £	Support costs £	2019 £
Cost			
National Health Foundation	802,683	–	802,683
Kemri Wellcome Trust Research Programme	155,579	–	155,579
Center for Global Development	107,452	–	107,452
At the end of the year	<u>1,065,714</u>	<u>–</u>	<u>1,065,714</u>

6 Net incoming resources for the year

This is stated after charging / crediting:

	2020 £	2019 £
Depreciation	18,600	16,690
Operating lease rentals:		
Property	214,081	214,360
Auditor's remuneration (excluding VAT):		
Audit	<u>8,925</u>	<u>8,750</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	2,312,928	1,706,090
Redundancy and termination costs	–	21,538
Social security costs	273,641	202,297
Employer's contribution to defined contribution pension schemes	158,679	101,577
	2,745,248	2,031,502

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	2020 No.	2019 No.
£60,000 – £70,000	5	3
£70,000 – £80,000	1	2
£80,000 – £90,000	1	2
£90,000 – £100,000	2	–
£100,000 – £110,000	–	2
£110,000 – £120,000	1	1
£120,000 – £130,000	3	–
£130,000 – £140,000	–	–
£160,000 – £170,000	1	1

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits including pension contributions and employer NIC of the key management personnel were £309,611 (2019: £755,948).

In 2020, key management personnel only includes Chief Executive, Chief Operating Officer and Chief Finance, Planning and Operations Officer. In 2019 this figure included a larger group of seven individuals.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,407 to trustees (2019: £991).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Raising funds	2.0	–
Charitable activities	32.0	20
Support	6.0	6
	40.0	26

9 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The charity is a subsidiary of the Center for Global Development (CGD), a non-profit entity incorporated in the United States of America, registry number, 52-2351337. CGD's mission is to work to reduce global poverty and inequality through rigorous research and active engagement with the policy community to make the world a more prosperous, just, and safe place.

CGD is the sole member of CGD Europe (CGDE). CGDE's articles of association give the member the power to appoint CGDE's trustees. Three of the CGDE's five Trustees are employees of CGD. One Trustee, Masood Ahmed, is President of CGD and a member of its Board. Consolidated accounts are available from CGD's offices, 2055 L Street NW, Floor 5 Washington DC 20036 Phone +1 202-416-4000.

During the year, income of £2,424,277 (2019: £1,846,916) was received from CGD, made up of £602,136 (2019: £1,128,111) restricted funds and £1,822,141 (2019: £718,805) unrestricted excluding 68,205 gift in kind. At the yearend outstanding debtors related to CGD were £315,974.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	IT Equipment £	Leasehold Improvement £	Total £
Cost			
At the start of the year	85,830	6,673	92,503
Additions in year	3,547	–	3,547
At the end of the year	89,377	6,673	96,050
Depreciation			
At the start of the year	41,987	2,670	44,657
Charge for the year	17,266	1,335	18,601
At the end of the year	59,253	4,005	63,258
Net book value			
At the end of the year	30,124	2,668	32,792
At the start of the year	43,843	4,003	47,846

All of the above assets are used for charitable purposes.

12 Debtors

	2020 £	2019 £
Debtors	358,426	217,340
Accrued income	128,031	6,530
Prepayments	42,252	12,294
	<u>528,709</u>	<u>236,164</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	126,570	30,973
Taxation and social security	111,953	94,528
Accruals	116,356	56,970
	<u>354,879</u>	<u>182,471</u>

14a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	32,792	–	32,792
Net current assets	157,715	3,630,969	3,788,684
Net assets at the end of the year	<u>190,507</u>	<u>3,630,969</u>	<u>3,821,476</u>

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	47,846	–	47,846
Net current assets	(31,900)	1,060,312	1,028,411
Net assets at the end of the year	<u>15,946</u>	<u>1,060,312</u>	<u>1,076,258</u>

15a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
European Commission (RBF)	58,716	–	(112,622)	–	(53,906)
Center for Global Development US	1,922	1,096,142	(1,096,896)	(1,168)	–
Bill & Melinda Gates Foundation (US)	(50,489)	176,637	(124,958)	(1,189)	–
Bill & Melinda Gates Foundation (UK)	125,932	481,851	(607,783)	–	–
Foreign, Commonwealth & Development Office (Improving the Global Education Architecture)	–	100,272	(100,272)	–	–
The ELMA Relief Foundation	–	40,000	(40,000)	–	–
The ELMA Foundation UK (The Educational Impacts of COVID-19)	–	160,000	–	–	160,000
Echidna Giving Fund via Schwab Charitable Fund	–	369,948	–	–	369,948
UBS Optimus Foundation – (Covid-19 School Closures)	–	39,867	(34,693)	–	5,174
Bill & Melinda Gates Foundation (HTA in India)	–	794,560	(233,208)	(1,189)	560,163
Open Philanthropy Project Fund via CGD	–	82,798	(60,650)	–	22,148
Wellcome Trust via London School of Hygiene and Tropical Medicine (POETIC)	–	14,565	(14,565)	–	–
Swedish International Development Agency (SIDA)	–	528,666	(458,036)	–	70,630
Bill & Melinda Gates Foundation (Aid, Finance and Policies for Development) via CGD	–	1,840	(1,840)	–	–
The Multilateral Organisation Performance Assessment Network via Foreign, Commonwealth & Development Office (International Development Support Project) via CGD	–	8,126	(8,126)	–	–
Asian Development Bank (Improving the Global Education Architecture)	–	145,032	(145,032)	–	–
Foreign, Commonwealth & Development Office (Humanitarian Policy Fund Secondment)	(17)	44,007	(62,468)	–	(18,462)
Norwegian Ministry of Foreign Affairs	78,185	6,726	(6,709)	–	–
Bill & Melinda Gates Foundation (IDSI plus)	751,800	–	(78,185)	–	–
Commitment to Development Index	94,263	3,390,935	(1,704,439)	–	2,438,296
		124,380	(141,667)	–	76,976
Total restricted funds	1,060,312	7,606,349	(5,032,146)	(3,546)	3,630,969
General funds	15,946	652,379	(481,364)	3,546	190,507
Total unrestricted funds	15,946	652,379	(481,364)	3,546	190,507
Total funds	1,076,258	8,258,728	(5,513,510)	–	3,821,476

15a Movements in funds (current year) continued

Purposes of restricted funds

European Commission (RBF)

The European Commission is funding CGD Europe to conduct research on the use of results-based financing and contracts by multilateral organisations, such as the EU and development banks, to improve the effectiveness of their programs. CGD Europe is conducting case studies, engaging with donors and implementing partners, and developing written products that will be useful to any agency thinking about results payments. Future funding is anticipated in 2021 and so a negative balance has been carried forward.

Center for Global Development US

The Center for Global Development in Washington, D.C sub-grants funds to CGD Europe to cover a London-based staff working on Global Health Policy, Global Education and the Migration, Displacement, and Humanitarian Policy (MDHP) Programmes.

The Global Education programmes, with support from the Bill & Melinda Gates Foundation (BMGF), is working with low to middle income country research partners and policymakers to generate policy-relevant research focused on three broad social goals: basic literacy and numeracy for all; girls schooling and women's empowerment; and education for poverty reduction, equity and social mobility.

The Global Health Policy programme is working on several projects involving CGD Europe staff aimed at generating, implementing and disseminating health policy evidence on a variety of topics. These include, among others, the BMGF funded International Decision Support Initiative (iDSI2) project, the Bloomberg Philanthropies Fiscal Health Taxes Policy Project, and a BMGF funded Family Planning Policy Project.

The MDHP programme is working on several research projects, with an emphasis on innovative policy approaches that enable migrants, refugees, and host communities to prosper. The works led out of CGD Europe focuses on country level outreach and contributes to the over strategic oversight of the research.

Transfers in note 15a relate to fixed asset purchased during the year by the Global Health Policy programme.

Bill & Melinda Gates Foundation (US)

Bill & Melinda Gates Foundation (US) are funding CGD Europe to expand its network and presence in Europe. This presence is enabling CGD Europe to deepen its engagement with policymakers, practitioners, thought leaders, media and engaged citizens in Brussels and help inform the European decision-making community. This work informed the new European Parliament and Commission in 2020.

Transfers in Note 15a relate to fixed assets purchased during the year under the BMGF (US) grant.

Bill & Melinda Gates Foundation (UK)

Bill & Melinda Gates Foundation (UK) are funding CGD Europe to support research and education which will reduce poverty by improving the quality and impact of UK aid and development policy over three years. This work has focussed on the future of UK development policy after Brexit; the fundamental "Integrated review" of Security, Defence, Development and Foreign Policy; the FCDO merger; the UK's contribution to Multilateral System Reform; developing measures of Aid Effectiveness; and a programme to monitor and influence UK spending on research and development for development.

Foreign, Commonwealth & Development Office (Improving the Global Education Architecture)

The Foreign, Commonwealth & Development Office is funding CGD Europe's research project on the global education architecture. The purpose of the project is to provide independent and evidence-based analysis on the state of the architecture, from the perspective of developing country partners, and to inform discussions by multilateral and bilateral agencies. It aims identify a set of actions to be taken forward rapidly, to show progress in 2021 and for a strong coalition of support to be built for that work.

The Elma Relief Foundation & UBS Optimus Foundation (Covid-19 School Closures)

The Elma Relief Foundation and UBS Optimus Foundation have co-funded CGD Europe's research project on COVID-19 on education. It aims to support education policy-makers in developing countries to make good decisions by producing appropriate and accessible public goods on school closures during epidemics, including collecting and analysing data on remote learning and collating best practice on reopening schools.

15a Movements in funds (current year) continued**The ELMA Foundation UK (The Educational Impacts of COVID-19)**

The Elma Foundation UK is funding CGD Europe's COVID partnership. CGD Europe will support three research institutions in Senegal, Ghana and Malawi to produce context-specific policy-relevant research that will help local policy-makers prioritise resources and make data-driven decisions in the wake of the COVID-19 pandemic.

Echidna Giving Fund via Schwab Charitable Fund

Echidna Giving is funding CGD Europe's research programme examining how education can contribute to gender equality. CGD Europe will form partnerships with local research and policy organizations in sub Saharan Africa to study this topic and move forward the research and policy agenda on gender norms and aspirations, specifically by: a) researching how gender roles are depicted in curricula and pedagogy, and the extent to which these shape norms and aspirations, especially for pre-primary- and adolescent-age children; studying how female role models shape girls' norms and aspirations for pre-primary- and adolescent-age children; and c) considering the big outstanding challenges that are preventing female economic empowerment and the research and program innovations that are needed to help resolve them.

Bill & Melinda Gates Foundation (HTA in India)

In May 2020, CGD Europe embarked on a second three-year project in India, funded by the Bill & Melinda Gates Foundation India Country Office (ICO). Building on previous progress under, the ICO project aims to strengthen the capacity of HTA producing agencies, the National Health Authority and State Health Authorities to generate and use evidence to inform the design, policy and implementation of the Ayushman Bharat PM-JAY scheme, the largest health insurance scheme in the world. Improving this scheme will lead to more transparent and cost-effective health policies and fairer access to high quality health services for the estimated 500,000 patients from the bottom 40% of the Indian population that rely on this scheme.

Transfers in note 15a relate to fixed asset purchased during the year under the ICO grant.

Open Philanthropy Project Fund via CGD

Open Philanthropy is funding a project that aims to address the crowding out effects of COVID-19. The research will allow us to estimate the indirect effects of COVID-19 on mortality and health due to suspended health services, malnutrition, and reduced economic activity. This research could help inform measures to limit the spread of the virus and mitigate its downstream harmful effects.

Wellcome Trust via London School of Hygiene and Tropical Medicine (POETIC)

Funded by the Wellcome Trust, the POETIC grant aims to study essential and emergency critical care (EECC) in the COVID-19 pandemic, to assess the cost-effectiveness of EECC and advanced critical care in two countries in Africa, and analyse the impact of the global and national response strategies to COVID-19 on critical care services. This will guide global and national COVID-19 responses in LMICs towards scalable strategies with the greatest potential for increased survival of critically ill patients, both in the pandemic and beyond.

Swedish International Development Agency (SIDA)

The Swedish International Development Agency (Sida) is funding CGD Europe through a three-year institutional partnership that aims to build an ongoing, evidence-based dialogue on effective development policy, financing and technology through the lens of Sida's conceptual framework for multidimensional poverty and the five underlying perspectives that inform Swedish development cooperation. The three thematic areas identified as shared priorities in this partnership are: 1) aid effectiveness, channels, and partners, 2) development finance, and 3) technology and new paths to development.

Bill & Melinda Gates Foundation (Aid, Finance and Policies for Development) via CGD

Bill and Melinda Gates Foundation is funding CGD Europe to carry out a three-year body of research work aiming to maintain and improve the UK's leadership and resources on reducing extreme poverty through highly effective policies and spend. This work focuses on two core workstreams tackling critical issues in the UK's approach: Promoting effective governance and decision-making in UK development policy; and Maintaining the UK's role as a development actor at the global level and through the multilateral system. The funding will also enable CGD Europe to scale up its independent engagement with the EU and European governments to ensure they achieve the greatest possible impact on the lives of the world's poorest people. The focus of this three-year programme will be on development finance and the development finance architecture with a cross-cutting emphasis on EU-Africa policies and collaboration.

15a Movements in funds (current year) continued**The Multilateral Organisation Performance Assessment Network via CGD**

The Multilateral Organisation Performance Assessment Network (MOPAN) Secretariat, hosted by the Organisation for Economic Co-operation and Development (OECD), is funding work to carry out assessments of effectiveness of the major multilateral organisations that the 19 MOPAN member countries fund, and other relevant thematic analytical studies.

Foreign, Commonwealth & Development Office (International Development Support Project) via CGD

FCDO is funding research on the role of development finance in addressing climate change and uses of concessional financing in middle income countries (MICs). This work has focused on taking account of the best available evidence, to provide answers to development agencies about the principles, policies and practices they should employ to be effective in tackling climate change and supporting poverty reduction; and analytical work on the uses of concessional financing in MICs, developing a set the principles for guiding the allocation of aid across the country income spectrum.

Asian Development Bank

The Asian Development Bank is funding CGD Europe's research project on the global education architecture. The purpose of the project is to provide independent and evidence-based analysis on the state of the architecture, from the perspective of developing country partners, and to inform discussions by multilateral and bilateral agencies. It aims identify a set of actions to be taken forward rapidly, to show progress in 2021 and for a strong coalition of support to be built for that work. Future funding is anticipated in 2021 and so a negative balance has been carried forward.

Foreign, Commonwealth & Development Office (Humanitarian Policy Fund Secondment)

From July 2019 to March 2021, FCDO is seconding a Senior Policy Fellow to CGD Europe to support research and policy development project on humanitarian reform. The secondee contributes to the project in the areas of 1) Innovations in field delivery; 2) Aligning resources with incentives and 3) Rethinking humanitarian governance. Activities include in-house, desk-based research, convening regular expert consultations as well as thematic workshops, undertaking field research in countries affected by humanitarian crises as well as convening high-level roundtables with the main humanitarian donors and humanitarian agencies.

Norwegian Ministry of Foreign Affairs

The Norwegian Ministry of Foreign Affairs, through the Norwegian Embassy in Beijing, is funding CGD Europe to execute a two-year programme of research and convening on the role and impact of emerging development cooperation providers. The purpose of this two-year programme is to inform the policy stance of bilateral and multilateral development agencies in relationship to emerging development cooperation providers, in particular China. It aims to enhance mutual learning, understanding and exchange of practice and impact between established and emerging development cooperation providers by filling a gap in targeted, independent research, comparative analysis and convening on cooperation strategies and financing approaches.

Bill & Melinda Gates Foundation (IDSI plus)

In 2018, CGD Europe received a five-year grant from the Bill & Melinda Gates Foundation (BMGF) to build on the track record of the 'international decision support initiative' (iDSI), to institutionalise evidence-informed priority-setting in low and middle income country (LMIC) health systems, build capacity for health technology assessment (HTA) and support LMICs to embed HTA processes into national health priority-setting, health benefits package design and listing, and commodity procurement for universal health coverage. As a global resource for LMIC governments, payers, and development partners to enhance value for money in global health, iDSIplus will promote more cost-effective, equitable and sustainable resource allocation and guidance that will translate into higher quality healthcare coverage, reduced financial impoverishment for households, and ultimately better health and more lives saved.

Commitment to Development Index

The Commitment to Development Index (CDI) examines and ranks governments of major economies on how much their policies do to support the development of low-income countries and is typically updated and published annually. In 2020, we launched a revitalized edition of the CDI, with an updated interactive web-tool, which included major emerging economies like China for the first time, and also updated and refined measures, including new indicators on gender and development finance. The index rates governments on development finance, trade, investment, migration, environment, security, and technology, and averages the seven for an overall score. We will launch a new edition of the CDI in 2021. We will continue to communicate the results of the CDI and use them as an opportunity to highlight opportunities for improving policies for development, especially beyond aid.

15b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
European Commission (RBF)	–	87,197	(28,481)	–	58,716
Center for Global Development US	2,082	927,313	(926,404)	(1,069)	1,922
BMGF (US)	(18,648)	153,646	(185,487)	–	(50,489)
BMGF (UK)	205,187	709,126	(777,192)	(11,190)	125,932
DFID (Education Research in Conduct and Protracted Crisis)	–	19,102	(19,102)	–	–
DFID (Improving the Global Education Architecture)	–	6,530	(6,530)	–	–
DFID (Humanitarian Policy Fund Secondment)	–	6,537	(6,554)	–	(17)
Norwegian Ministry of Foreign Affairs	64,672	159,913	(146,400)	–	78,185
BMGF (iDSI plus)	1,876,064	–	(1,122,657)	(1,607)	751,800
Commitment to Development Index	69,128	154,945	(129,810)	–	94,263
Total restricted funds	2,198,485	2,224,308	(3,348,615)	(13,866)	1,060,312
General funds	(2,132)	803,834	(799,622)	13,866	15,946
Total unrestricted funds	(2,132)	803,834	(799,622)	13,866	15,946
Total funds	2,196,353	3,028,142	(4,148,237)	–	1,076,258

16 Analysis of cash and cash equivalents

	At 1 January 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Cash in hand	974,719	2,640,135	–	3,614,854
Total cash and cash equivalents	974,719	2,640,135	–	3,614,854

17 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property 2020 £	2019 £
Less than one year	214,081	214,360
One to five years	482,589	696,670
	696,670	911,030

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.