# GLOBAL INNOVATION FUND

England & Wales · Charity number 1171353

## Details

| | |
|---|---|
| **Other names** | GIF |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 09223487 |
| **Registered** | 2017-01-27 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Wework C/o Global Innovation Fund<br>8 Devonshire Square<br>London<br>EC2M 4PL |
| **Phone** | 0207 971 1078 |
| **Email** | hello@globalinnovation.fund |
| **Website** | http://www.globalinnovation.fund/ |

## Activities

**Objects:** 5.1 THE OBJECTS OF GIF (THE "OBJECTS") ARE:5.1.1 THE RELIEF OF THOSE IN NEED ARISING BY REASON OF YOUTH, AGE, ILL-HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE AMONGST THE WORLD'S POOR IN DEVELOPING COUNTRIES FOR THE PUBLIC BENEFIT BY THE PROVISION OF GRANTS, LOANS, SOCIAL INVESTMENT, EQUITY OR OTHER FINANCIAL ASSISTANCE TO FUND OR OTHERWISE ASSIST IN FINANCING PROJECTS, PROGRAMMES, OR PRODUCTS WHICH HAVE THE CAPACITY TO DEVELOP INTO LARGE SCALE SOLUTIONS WHICH WILL HAVE A SIGNIFICANT IMPACT ON AND FURTHER SUCH OBJECT;5.1.2 THE RELIEF OF POVERTY AMONGST THE SAME BENEFICIARY GROUP BY THE SAME MEANS;5.1.3 THE ADVANCEMENT OF ANY OTHER CHARITABLE PURPOSE FOR THE PUBLIC BENEFIT BY THE SAME MEANS.

**Activities:** GIF finds, funds and scales-up cost-effective, evidence-based social innovations that have the potential to measurably improve the lives of millions of people living on $5 a day or less in the developing world. GIF deploys grant and risk capital instruments to support a range of innovators across the globe to accelerate the development, rigorous testing, and scaling of innovations.

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## Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Economic/community Development/employment
- **Who:** Other Defined Groups

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## Geography

- Afghanistan
- Albania
- Algeria
- American Samoa
- Angola
- Argentina
- Armenia
- Azerbaijan
- Bangladesh
- Belarus
- Belize
- Benin
- Bhutan
- Bolivia
- Bosnia And Herzegovina
- Botswana
- Brazil
- Bulgaria
- Burkina Faso
- Burma
- Burundi
- Cambodia
- Cameroon
- Cape Verde
- Central African Republic
- Chad
- China
- Colombia
- Comoros
- Congo
- Congo (Democratic Republic)
- Costa Rica
- Cuba
- Djibouti

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- Dominica
- Dominican Republic
- East Timor
- Ecuador
- Egypt
- El Salvador
- Eritrea
- Eswatini
- Ethiopia
- Fiji
- Gabon
- Georgia
- Ghana
- Grenada
- Guatemala
- Guinea
- Guinea-bissau
- Guyana
- Haiti
- Honduras
- Hungary
- India
- Indonesia
- Iran
- Iraq
- Ivory Coast
- Jamaica
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kyrgyzstan
- Laos
- Lebanon

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- Lesotho
- Liberia
- Libya
- Macedonia
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Marshall Islands
- Mauritania
- Mauritius
- Mexico
- Micronesia
- Moldova
- Mongolia
- Montenegro
- Morocco
- Mozambique
- Namibia
- Nepal
- Nicaragua
- Niger
- Nigeria
- North Korea
- Occupied Palestinian Territories
- Pakistan
- Palau
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Romania
- Rwanda

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- Saint Vincent
- Samoa
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Solomon Islands
- Somalia
- South Africa
- Sri Lanka
- St Lucia
- Sudan
- Suriname
- Syria
- São Tomé And Principe
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Togo
- Tonga
- Tunisia
- Turkey
- Turkmenistan
- Tuvalu
- Uganda
- Ukraine
- Uzbekistan
- Vanuatu
- Venezuela
- Vietnam
- Yemen
- Zambia
- Zimbabwe

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## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-12-31 | £16,552,431 | £10,467,068 | £26,430,296 | 0 |
| 2023-12-31 | £5,444,641 | £8,172,305 | £19,945,393 | 29 |
| 2022-12-31 | £7,874,000 | £17,632,000 | £23,694,000 | 33 |
| 2021-12-31 | £6,164,000 | £17,821,000 | £30,135,000 | 35 |
| 2020-12-31 | £1,647,000 | £18,062,000 | £41,500,000 | 39 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| Dr Jeremy Matthew Weinstein | | 2022-01-31 |
| HELEN KING | | 2024-01-01 |
| James Paul Habyarimana | | 2020-03-06 |
| James Roy Clark | | 2020-03-06 |
| Kathryn Card Kaufman | | 2020-11-11 |
| Santhosh Mathew | | 2018-12-08 |

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**GLOBAL INNOVATION FUND**

England & Wales - Charity number 1171353

# Accounts

Docusign Envelope ID: 0ABABE61-AD67-48CE-B9FB-99BB575DA0B0






# Report and Audited Financial Statements for the year ended 31st December 2024

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# DEAR FRIENDS

**It is a privilege to lead the Global Innovation Fund as we mark a decade of operations.**

Our unique proposition has captured the imaginations of governments and foundations, as well as corporate and philanthropic funders. We will continue to work to ensure our resources and catalytic capital drive measurable, lasting change for those most in need.

At this pivotal moment for the sector, GIF® will build on our strengths while embracing new opportunities to drive innovation and transformative change, sharing our learnings, fostering partnerships and mobilising private sector investment to scale high impact solutions.

## DELIVERING TRANSFORMATIVE CHANGE

In 2024, GIF closed six transactions, investing in innovative forms of climate-smart agriculture, weather data analytics platforms and microfinance solutions enabling women to make their homes more climate resilient, for example.

Increasingly, our investments are harnessing the power of generative AI in emerging markets. Innovations in our portfolio are expected to benefit 157m people by 2034, and our research and analysis show that just five of our earliest investments have generated more than $3.35bn in social benefits to date.

The past ten years are the ten warmest years on record. Emerging economies bear the heaviest burden of climate adaptation and resilience, which is why, this year, GIF focused our investment strategy on innovations addressing these challenges.

GIF's creative approach to financing addresses the large, unmet demand for blended, risk-taking capital in fragile settings. It also makes our portfolio more investible. Our investments have attracted $8.40 in capital for every dollar GIF has invested. This support also helps to unlock the vital private sector capital required to scale small to mid-sized enterprises in low and middle income countries.

As GIF begins an exciting new chapter, we are reviewing how and where we invest, while remaining committed to evidence-gathering and learning. In 2024, we formally launched GIF Growth, our new blended finance investment vehicle.

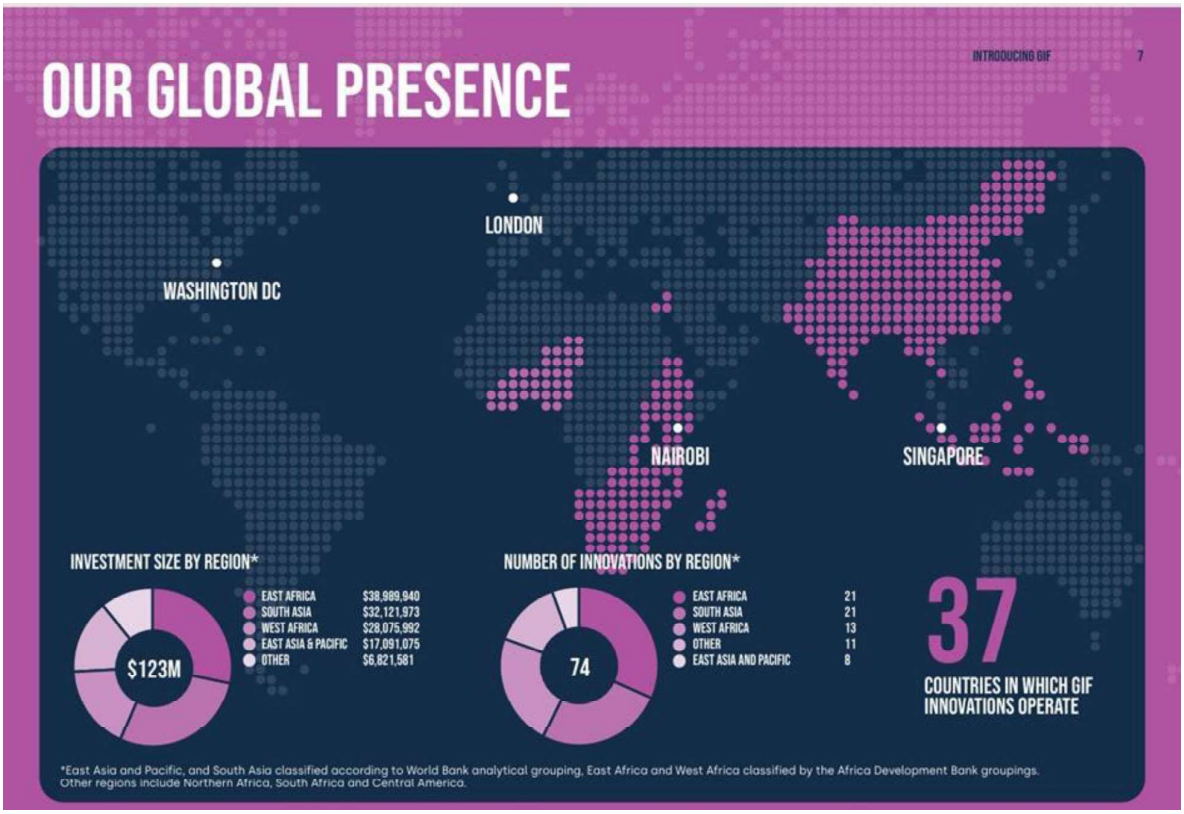
We also renewed our commitment to placing an explicit value on women's agency. In signing up for the 2X Challenge, GIF joined a multilateral coalition of public and private sector investors which committed to investing $20bn in women's economic empowerment over the next three years.

**GIF's partners include other mission-aligned government development agencies, foundations, businesses and private donors. I would like to thank them for their support and insights.**



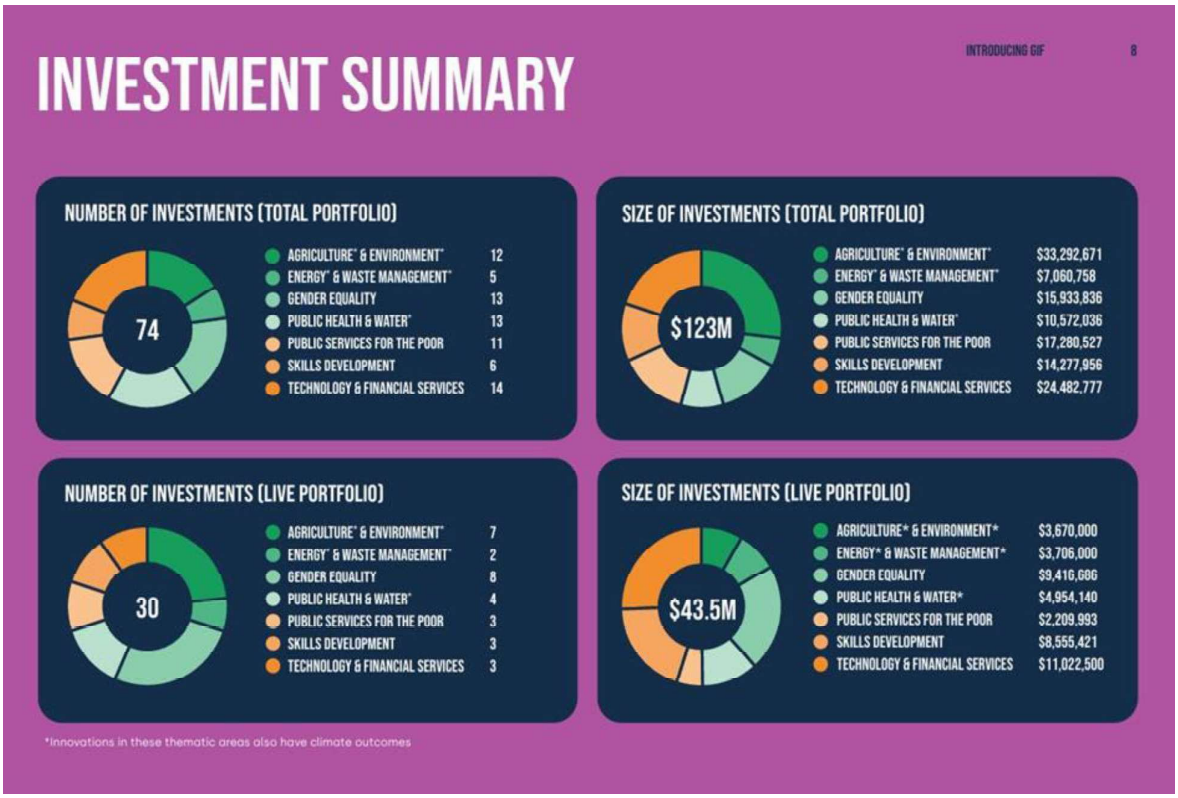
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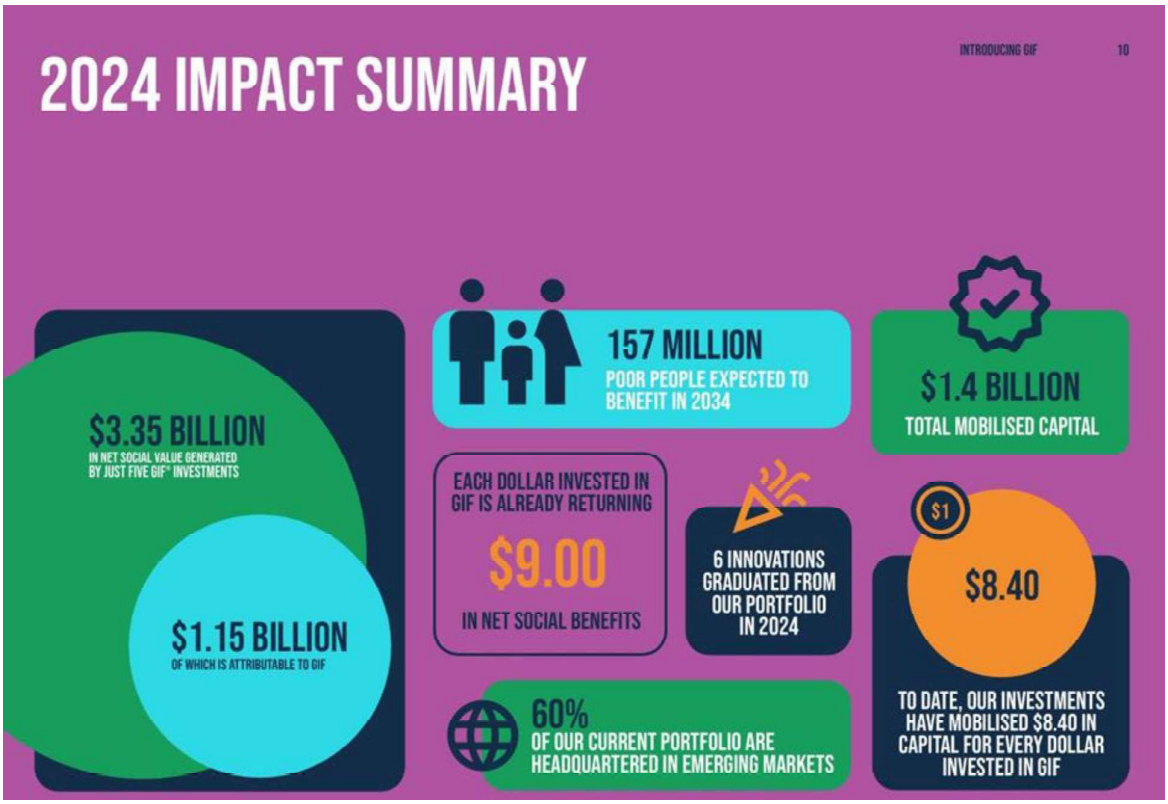
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## Trustees, Officers and Advisers

### Trustees

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

- Santhosh Mathew
- James Clark
- James Habyarimana
- Kathryn Kaufman
- Jeremy Weinstein
- Helen King (appointed 1st January 2024)
- Watu Wamae (appointed 12 August 2024)
- Simon Clarke (appointed 12 December 2024)

### Key management personnel

| | |
|---|---|
| • Chief Executive Officer | Alix Zwane (resigned 31st March 2024) |
| • Acting Chief Executive Officer | Joseph Ssentongo (appointed 1st April 2024) |
| • Chief Investment Officer | Avinash Mishra |
| • Senior Managing Director, Impact | Shailaja Annamraju (appointed 1 October 2024 ) |
| • General Counsel | Cillian Moynihan (appointed 1st April 2023) |
| • Group Finance Director | Nadia Adjenef (appointed 10th June 2024 ) |

### Professional advisors

| | | |
|---|---|---|
| Auditors | Crowe U.K. LLP | St James House, St James Square, Cheltenham GL50 3PR |
| Bankers | Barclays Bank Plc | 1 Churchill Place, London E14 5HP |
| Solicitors | Bates Wells Braithwaite LLP | 10 Queen Street Place, London EC4R 1BE |

### Address of principal office

Global Innovation Fund's principal and registered office has the same address;
8 Devonshire Square
London
EC2M 4PL

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# Trustees' Report

The Trustees present their report, the directors' report, and consolidated financial statements for the year ended 31st December 2024.

Under the Charities Act 2011 and the Companies Act 2006 the Directors' Report and Strategic Report are included within the Trustees Report.

**Business review and future developments**

This has been discussed in the Strategic Report section.

The Board has delegated responsibility for GIF's investment selection (i.e., the selection of innovative investments to further GIF's mission) to the CEO and staff team, as outlined in GIF's, Byelaws and scheme of delegated authorities.

# Directors Report

**Appointment of Trustees**

GIF's Articles of Association and Byelaws set out guidance on the composition of the Board of Trustees who are the Directors as defined under the Companies Act. The Board is entirely non-executive and comprises a majority of Trustees that are independent of any GIF funder ("A" Trustees). "A" Trustees are recruited from the following fields: private sector, civil society, the public sector and academia. They are formally appointed by the Board following approval by the Members. "A" Trustees serve for three-year terms with possible reappointment.

The Board also includes seats for Trustees that are elected by GIF's funders ("B" Trustees). "B" Trustees are elected at the start of each three-year funding cycle of the charity.

The Trustees meet formally each quarter.

The Trustees have delegated day-to-day management of GIF to its Chief Executive Officer and their senior management team. The Board has also delegated authority to the Audit & Finance Committee and the Human Resources Committee and has constituted an advisory Development Committee. Each of these committees reports back to the Board quarterly and makes recommendations to the Board for approval as necessary.

The Trustees review and approve as applicable on an annual basis:

- the annual budget and operating plan for the charity;
- the charity's financial results and variances from budget;
- the charity's key performance indicators;
- the charity's investment and grant portfolio and any major risks associated with the projects.

The Trustees also regularly review the charity's risk register. The Audit & Finance Committee of the Board receives quarterly updates from senior management on risks and ensures that appropriate controls are in place to mitigate those risks.

**Induction and training of new Trustees**

Each new GIF Trustee is briefed on the role of a Trustee and a Director under Charities Law and the Companies Act. They are provided with copies of relevant Charity Commission guidance and the charity's organisational documents. The Trustees also receive training on Trustee and Director duties and responsibilities, anti-bribery and corruption and conflicts of interest.

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**Pay and remuneration.**

The Human Resources Committee (appointed by the Board) is responsible for setting strategies relating to human resource needs for the charity and oversees the charity's compensation philosophy. The HRC makes a recommendation to the Board regarding the CEO's annual compensation. The CEO is responsible for setting the terms of remuneration for senior management.

Every year all staff go through an annual review looking at their performance against their objectives set at the start of the year. Pay increases are then dependable on the performance rating of each staff member.

**Related Party**

None of the Trustees receive remuneration or other benefit from their work with the charity, although expenses are paid. Any connection of a Trustee with a request for financial assistance under discussion will be disclosed at a Board of Trustees meeting in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Details of Trustee expenses are disclosed in Note 16 to the accounts. There were $9.3k in 2024.

**Auditor**

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

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## Strategic Report

This strategic report for the GIF's tenth full financial year covers the full financial period from 1st January 2024 to 31st December 2024 and includes information in the 'year in review' and 'measuring impact' sections of these accounts.

GIF was incorporated on 17th September 2014 as a company limited by guarantee. GIF has a 100% owned subsidiary, also called the Global Innovation Fund, incorporated in the District of Columbia, United States of America, on 9th April 2015. This subsidiary began operations on 13th April 2015.

GIF has a second 100% owned subsidiary, GIF Growth Limited, a company limited by shares. The subsidiary began operations in 2024.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Statement of public benefit**

GIF was granted charity status with the Charity Commission for England and Wales on 27th January 2017 with the charity number 1171353. The Articles of Association were adopted on 28th November 2016.

GIF meets the definition of a public benefit entity under FRS 102.

GIF invests in the development, rigorous testing, and scaling up of new products, services, business process, or policy reforms that are more cost-effective than current practice and targeted at improving the lives of the world's poorest people.

Over this reporting period, and in line with the goals, GIF has approved investments in a broad range of innovations across the developing world, covering the three themes of making public services work for the poor, creating productive jobs and easing market frictions and enhancing agency for women and girls.

**Aims and purpose of the Charity**

GIF's mission is:

- To support innovations that could scale up to benefit millions of people now living on less than $5/day; and
- To improve the overall impact of development expenditure - public and private, international and domestic - by demonstrating the effectiveness of outcome-oriented, evidence-based investment.

GIF aims to support the global public good of generating innovations that will collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries. To accomplish this, GIF seeks to accelerate the development, rigorous testing and scaling of cost-effective innovations, in particular by:

- providing an open global innovation platform to support piloting and testing new innovations for the world's poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;
- providing grants and making risk capital investments to support the transition to scale of:
    - innovations designed to scale commercially that have passed a market test, and;
    - innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and
- generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

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**Investment Policy**

GIF supports innovations that benefit people living on less than the equivalent of US$5 per day in developing countries and is especially interested in innovations that impact people living on less than US$2 per day.

GIF defines "innovation" as any solution that has potential to improve the lives of the poor in developing countries more effectively than existing approaches. This includes new products or services, policy practices, business models, operational or production processes, behavioural insights, or ways of delivering products and services that benefit the poor, across all relevant sectors. These innovations could come from social enterprises, for-profit firms, non-profit organisations, researchers, academics, government agencies or any other relevant institution or individual.

GIF seeks to fill market gaps and is especially interested in supporting promising innovations that may otherwise struggle to find appropriate forms of funding for objectives that align with those of GIF, e.g. piloting development innovations, gathering rigorous evidence of impact or achieving greater scale.

**Grants**

GIF works with a wide range of institutions to fund specific research projects. Payment of grants is conditional upon the performance of key tasks. Where such tasks remain incomplete, payment is withheld. GIF operates an annual review process whereby grants are reviewed to ensure progress is being made and the programme complies with expectations before continuing payment is confirmed. As a result, the first payment of each grant is made up front, with further payments contingent on the above policy.

**Reserves Policy**

The approved reserves policy intends to ensure GIF is in a position where it holds sufficient working capital to fulfil short-term contractual and constructive investment commitments, as well as sufficient funds to cover medium term operational expenditure. The Reserves Policy is approved by the board in line with the requirements of GIF's donor governments. The charity aims to have free reserves of $5m to stay in line with the approved policy taking into account the variable investment commitments it makes in the year.

**Investment Commitments**

GIF intends to hold sufficient funds to fulfil any disbursements relating to contractual and constructive obligations falling due in the preceding twelve months. Current levels of investment commitments are shown in note 13 to the accounts.

**Operational Expenses**

Operational expenses are those incurred through the course of running GIF's offices, employing staff and making investments. The medium-term value of reserves will relate to twelve months' costs as per the most recent operational budget or forecast.

GIF aims to hold a minimum level of working capital of $5 million, in order to accommodate any investment activity beyond the time horizons indicated and any unforeseen costs.

| | |
|---|---|
| Total Funds on 31st December 2024: | $33.08m |
| Less: | |
| Restricted Funds | ($9.1m) |
| Investments (from unrestricted funds) | ($16.7m) |
| Funding Commitments | ($4.3m) |
| Free Reserves Balance | $2.9m |

Free reserves are lower than that stipulated within the approved policy, though are expected to gradually increase following the successful renegotiations of a new funding cycle with GIF's principal funders and income from new investments from the launch of new Funds. GIF expects to build reserve within 12-18 month in line with its expected increase in income.

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**Financial Review**

GIF's income from its funders increased from $6,458k in 2023 to $19,541k in 2024. Investment income in 2024 amounted to @ $479k vs $559K in 2023.

During the year $2.4m of new risk capital investments (Debt, Equity or Convertible Debt) were made. At the end of the year an in-depth review of our investments was undertaken. It was decided that write-downs, totalling $1,966k (2023: $1,051k) were necessary due to uncertainties around various aspects of the financial position and performance of investees including their ability to continue as a going concern. The impairment losses are included within Charitable activities in the Statement of Financial Activities.

Total funds as at the end of the year was $33,080k (2023: $25,391k) of which $9,120k (2023: $4,652k) was restricted.

**Going Concern**

The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future. The trustees are aware of the inherent uncertainty in the general funding landscape

**Review of the group's operations**

Our goal at GIF is to find, fund, and scale-up cost-effective, evidence-based innovations that have the potential to measurably improve the lives of millions of people in the developing world.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere. Through our grants and risk capital, we help breakthrough solutions to global development challenges from social enterprises, for-profit firms, non-profit organisations, researchers, and government agencies to maximise their impact and affect meaningful change.

For ten years we have supported innovators at all stages of development, from start-up and pilot-testing through to larger scale implementation - the innovations we fund can be located in any emerging economy and can focus on any sector relevant to international development, provided they are committed to improving the lives of the poor and climate vulnerable living in low and middle income countries.

When thinking about where to invest, we look for promising entrepreneurs and seek to become their early partners as they test, adapt and improve their business model, before they are big enough to work with development finance institutions. We can also support experimentation and evidence gathering in domestic resource mobilisation, such as in increasing tax compliance in developing countries or supporting remittance flows.

During this period geopolitical and economic uncertainty continued to negatively impact the funding environment, slowing decision-making in donor agencies and reducing overall aid budgets. Nonetheless we maintained a strong relationship with our existing donors, identifying opportunities to align strategic objectives, enhance collaboration and support knowledge sharing. In parallel we actively engaged with potential new funders who align with GIF's impact first, evidence-based investment approach, including private investors, philanthropies and government donors, as set out in our new fundraising strategy. These conversations will continue in 2025 as GIF seeks to mobilise additional capital in pursuit of social returns.

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On this backdrop, over the past year we have achieved the following results:

- **We invested in evidence-based impact:** In 2024, we closed six new transactions and two follow-on investments, all with **climate adaptation and resilience outcomes**. This included innovative forms of climate-smart agriculture, weather data analytics platforms, and microfinance solutions enabling women to make their homes more climate resilient.
- **We continued to demonstrate that investing in innovation pays**: After ten years of investing, GIF has built a portfolio of 74 innovations which reached 87 million people in 2024. Each dollar invested by GIF is already returning $9 in net social benefits. The total net social benefits already achieved by just five mature and scaled up innovations is $3.35 billion. Out of this, $1.15 billion can be directly attributed to GIF. Furthermore, based on Practical Impact (our long-term forecasting methodology), GIF expects its portfolio of evidence-based grants and risk capital investments to benefit 157 million people annually by 2034. Those benefits include higher incomes, better health, and improved education.
- **We effectively mobilised investment for development:** Our investments have been catalytic: For every $1 GIF has invested, a further $8.40 has been crowded in to the investments in our portfolio from other sources, including private sector capital, vital to achieving the UN Sustainable Development Goals. For GIF Growth we secured commitments totalling $12 million from private sector investors and governments. FCDO renewed its partnership with GIF, signing a two-year replenishment contract.
- **We launched GIF Growth:** GIF formally launched its returnable investment vehicle, GIF Growth, to address the critical financing gap faced by high-impact businesses in emerging markets. A launch event was hosted in Washington, DC, at the UK Deputy Ambassador's residence, where GIF announced commitments from the Foreign Commonwealth and Development Office (FCDO) of the U.K. government, US Development Finance Corporation (DFC) and the Korean International Cooperation Agency (KOICA), with key donors and investees in attendance. The fund is now operational, set to invest in 2025 in businesses positioned for commercial scale, helping to bridge the 'missing middle' in development finance. The Growth website and launch video were also published.
- **We scaled our climate adaptation and resilience portfolio:** GIF's new climate adaptation and resilience portfolio grew significantly in 2024 and is rapidly beginning to show results. In total GIF has invested $33 million in 18 climate deals and supported 48 million people to adapt to climate change impacts in 2024.
- **We further committed to advancing women's economic empowerment:** Gender equality is both an investment theme and a strategic goal for GIF. GIF has been investing in gender transformative innovations since 2018, including a new gender-focused climate change investment in 2024. In 2024 GIF joined the 2X Challenge. The 2X Challenge is a multilateral coalition of public and private sector investors who have pledged to invest $20 billion in women's economic empowerment over the next three years. This commitment builds on our goal to maximise gender equality impact across our portfolio. GIF's follow-on investment in S4S in 2024 is our first contribution to the 2X Challenge.
- **Sharing of knowledge of what works in development:** We continued to influence the field and share our knowledge of what works. Since 2015, we have worked with academics and researchers to inform our decisions. This includes funding 25 randomised control trials (to date) driving evidence-led innovation; helping generate 18 peer-reviewed journal publications influencing thinking and partnerships with 42 universities. GIF's measurement and impact approach was cited as the gold standard in the Smith School UKAID Impact Report, underscoring GIF's leadership in evidence-based climate-compatible growth.
- **We enhanced our focus on localisation:** GIF only backs innovations that are relevant to local needs, and we seek to direct more of our funding towards locally headquartered organisations. By expanding our investment team in Nairobi and Singapore, we increased face to face engagement with local stakeholders and embedded ourselves more closely within the local ecosystem. This increased our ability to identify high impact local innovations, both locally led as well as locally headquartered.

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**Principal risks facing the group**

The table below outlines key organisational risks faced by GIF in achieving its mission, and what we're doing to mitigate those risks.

| Risk | Explanation/example | Management and mitigation |
|---|---|---|
| Funding Risk | Economic and policy factors or internal delays in key funding countries, and difficulties attracting new donors, results in a negative financial impact on GIF. However, GIF has agreed a renewed funding cycle with its principal funders (see above and under going concern in the accounting policies). | -Continuing to make the policy case for the GIF model including its gender and climate work;<br>-Increase in fundraising activity with pursuit of new government and corporate partners leveraging existing donor support where possible<br>-Diversifying sources of capital with GIF Growth and Thrive |
| Impact risk | Investing in fragile markets increases the risk of backing innovations that fail. | Rigorous due diligence and investment process, active portfolio management, and understanding the market context in which portfolio organisations operate. |
| Valuation & Impairment risk | The nature and context of GIF' risk capital investments, means the risk of impairment of investments made is high | Rigorous due diligence and monitoring of investments.<br>Increased impairment is expected given the maturing portfolio and the current environment within private capital.<br>Social impact remains the key metric against which investment success is measured. |

These risks have, so far, proved manageable. A fully encompassing corporate risk register is updated and reviewed by the Audit and Finance Committee and the wider Board of Trustees.

**Goals & Key Objectives**

1. **One Mission: Multiple Vehicles:** GIF "Core" and GIF Growth: We have recognised that GIF's unique model can support not only the deployment of Official Development Assistance but can also create unique impact for pools of returnable capital that are being invested in more traditional impact investors.

2. **One Mission: One Deal Team:** The power of the GIF team is that we bring together rigorous economic analysis grounded in evidence, a deep understanding of the context in which our innovations can scale, financial acumen, a venture mind-set, and an ability to take smart risks. We have learned that the key to unlocking the power of this combination is to structure ourselves in a way that draws on the resources from across the GIF team and breaks down organisational silos.

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3. **Enhancing the Agency of Women and Girls:** With its gender sub-fund, GIF will continue to apply, and improve on, the gender lens that it brings to all its investments, mainstreaming gender analytics into deal selection, diligence, and venture support. We will continue to partner with world-leading gender experts to grow our expertise and build a portfolio that prioritises gender equality outcomes.

4. **Investing in Innovation Focused on Climate Adaptation and Resilience:** Having launched the 'Innovating for Climate Resilience Fund' at COP26, with seed funding from the UK Foreign, Commonwealth and Development Office, we secured additional funding commitment from the Swedish International Development Cooperation Agency. GIF has continued to make investments in its climate sub-fund, harnessing its innovative model to invest in scalable early-stage solutions to help people adapt and build resilience to climate change.

5. **GIF will invest where the world's poor live and in innovations that matter to them:** We will strategically complement our commitment to open innovation by deepening our expertise in markets where we have traction and where our capital can catalyse additional investment.

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## Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Global Innovation Fund for the purposes of Company Law) 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 Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees 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 charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguard of the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- each trustee has taken all the steps that they should have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are 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.

This report has been prepared taking advantage of the provisions of the Companies Act 2006 available for small companies.

*The Trustee's Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report continued therein, and is signed as authorised on its behalf by;*

Signed by:
James Clark
951FB70A3A2F4BE...

**James Clark**

*Chair of the Board of Directors, Global Innovation Fund*

17 September 2025

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# Independent Auditor's Report to the Members of Global Innovation Fund

## Opinion

We have audited the financial statements of Global Innovation Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise The Consolidated Statement of Financial Activities, The Consolidated and Charity Balance sheets, The Consolidated Cash Flow Statement 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 Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 December 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 group 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 trustee's 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 the charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 during our audit

- the information given in the trustees' report, which includes the directors' report, and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared

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is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these

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laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), taxation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

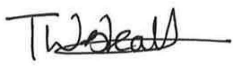
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income, valuation of social investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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.



**Tara Westcott**

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor
Cheltenham

Date: 18 September 2025

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## Consolidated Statement of Financial Activities

*For the year ended 31 December 2024*

| | note | Unrestricted Funds 2024 USD ($000) | Restricted Funds 2024 USD ($000) | Total Funds 2024 USD ($000) | Total Funds 2023 USD ($000) |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Charitable activities - Grants | *2* | 11,456 | 7,606 | 19,062 | 6,458 |
| Investment & Other Income | *2* | 479 | - | 479 | 559 |
| Other income - Foreign exchange gain | | - | - | - | 208 |
| **Total income** | | 11,935 | 7,606 | 19,541 | 7,225 |
| **Expenditure on:** | | | | | |
| Charitable activities | *3* | (8,391) | (3,138) | (11,529) | (10,404) |
| **Total expenditure** | | (8,391) | (3,138) | (11,529) | (10,404) |
| **Net movement in funds** | | 3,544 | 4,468 | 8,012 | (3,179) |
| **Other recognised gains/(losses)** | | | | | |
| Foreign exchange transactions | | (323) | - | (323) | - |
| **Net movement in funds** | | 3,220 | 4,468 | **7,689** | **(3,179)** |
| **Reconciliation of funds:** | | | | | |
| *Total funds brought forward as at 1st January 2024* | | 20,739 | 4,652 | 25,391 | 28,570 |
| *Total Funds carried forward as at 31st December 2024* | | 23,959 | 9,120 | 33,080 | 25,391 |

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## Consolidated and Charity Balance Sheet

*For the year ended 31 December 2024*

| | *note* | Group 2024 USD ($000) | Charity 2024 USD ($000) | Group 2023 USD ($000) | Charity 2023 USD ($000) |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Investments | 4 | 16,841 | 16,841 | 16,651 | 16,651 |
| Investments in Subsidiary Undertaking | 4 | | 5,096 | | |
| **Total fixed assets** | | **16,841** | **21,938** | **16,651** | **16,651** |
| **Current assets:** | | | | | |
| Debtors | 5 | 218 | 454 | 914 | 917 |
| Notice deposits (less than 3 months) | 6 | 7,974 | 3,552 | 5,724 | 5,724 |
| Cash at bank and in hand | 6 | 8,315 | 7,657 | 2,227 | 2,211 |
| **Total current assets** | | **16,507** | **11,663** | **8,865** | **8,852** |
| **Liabilities:** | | | | | |
| **Creditors:** amounts falling due within one year | 7 | (269) | (180) | (125) | (111) |
| **Net current assets** | | **16,239** | **11,483** | **8,740** | **8,740** |
| **Total net assets** | | **33,080** | **33,420** | **25,391** | **25,391** |
| **The funds** | | | | | |
| Restricted | 8 | 9,120 | 9,120 | 4,652 | 4,652 |
| Unrestricted | 8 | 23,960 | 24,300 | 20,739 | 20,739 |
| **Total funds** | | **33,080** | **33,420** | **25,391** | **25,391** |

The surplus for the financial year dealt within the financial statements of the stand-alone parent charitable company was $8,030k (2023 – deficit $3,179k)

These financial statements were approved and authorised for issue by the board of directors and were signed on its behalf by:

Signed by:
James Clark
951FB70A3A2F4BE...

**James Clark**
*Chair of the Board of Directors*
*Global Innovation Fund*
*Company Registration Number: 09223487 (England and Wales)*
17 September 2025

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## Consolidated Cash Flow Statement

*For the year ended 31 December 2024*

| | *note* | Group 2024 USD ($000) | Group 2023 USD ($000) |
|---|---|---|---|
| Net cash inflow from operating activities | (a) | 10,035 | (4,277) |
| Cash flows from investing activities | (b) | 460 | 254 |
| Cash flows from financing activities | (c) | (2,156) | (2,551) |
| Change in cash and cash equivalents in the reporting period | | 8,338 | (6,574) |
| | | | |
| Cash and cash equivalents as at 1 Jan | | 7,950 | 14,524 |
| Cash and cash equivalents as at 31 Dec | | 16,289 | 7,950 |

***Cashflow Statement notes:***

**(a) Reconciliation of changes in resources to net cash outflow from operating activities**

| | | |
|---|---|---|
| Net income for the reporting period | 7,689 | (3,179) |
| Impairment of programme related investments | 1,966 | 1,051 |
| Dividends and interest from investments | (474) | (266) |
| Bank charges | 14 | 12 |
| (Increase)/decrease in debtors | 696 | (231) |
| Increase/ (decrease) in creditors | 144 | (1,664) |
| **Net Cash provided by operating activities** | **10,035** | **(4,277)** |
| **(b) Cash flows from investing activities** | | |
| Portfolio Interest | 300 | 226 |
| Bank and other interest | 174 | 40 |
| Bank charges | (14) | (12) |
| **Net Cash provided by investing activities** | **460** | **254** |
| **(c) Cash flow from financing activities** | | |
| Purchase of programme related investments | (2,156) | (2,551) |
| Exits of programme related investments | - | - |
| **Net Cash provided by financing activities** | **(2,156)** | **(2,551)** |

*The charity has taken advantage of the exemption available under FRS 102 from the requirement to present a charity-only cash flow statement within the consolidated financial statements.*

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## Notes to the accounts

### 1. Accounting policies

***Company Information:***

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, it's registered address is Wework, 8 Devonshire Square, London EC2M 4PL

***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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

GIF has a 100% owned subsidiary, also called Global Innovation Fund, incorporated in the District of Columbia, United States of America (EIN: 47-4045086). It is a not-for-profit organisation and therefore has equity of nil, its turnover of $796k (2023: $725k) was provided directly from GIF to cover its operating costs. Its address is 1701 Rhode Island Ave NW, 20036, Washington, United States.

GIF has a second 100% owned subsidiary, GIF Growth Limited (company number 12392232) that was incorporated on 8th January 2020. It has not commenced trading in 2024.

No separate SOFA has been prepared for the charity alone, as permitted by Section 408 of the Companies Act 2006. The charity has also taken advantage of the exemptions available under FRS 102 from the requirements to present a charity-only cash flow statement and to present certain disclosures about the charity's financial instruments.

***Going concern***

GIF renewed a multi-year funding cycle with its anchor funder. In addition, GIF extended its current contract with another principal funder until Dec 2026.

GIF currently has sufficient cash runway available to cover operational expenditure until Q3 2026. Beyond this, it is expected to generate additional funding from the launch in Q225 of the new Thrive fund as well as negotiation of renewal of a new multi-year agreement with one of its core funders following cost extension agreed.

The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future and as a result the financial statements have been prepared on the basis that the charity is a going concern.

***Basis of consolidation***

The consolidated financial statements include the financial statements of the company Global Innovation Fund and its subsidiary undertakings made up to 31st December 2024. The parent company Global Innovation Fund is based in London and has three subsidiaries - one also named Global Innovation Fund based in Washington D.C, GIF Growth Limited based in London and GIF (Kenya) Limited based in Nairobi. There is also a branch based in Singapore.

***Accounting estimates and judgements***

In preparing the financial statements, management have made judgements, estimates and assumptions that affect both the amounts recorded as revenues and expenses during the period, and amounts recorded for assets and liabilities as at the balance sheet date. However, the nature of estimation means these estimates could differ from actual outcomes. This is especially prevalent in determining the carrying value of GIF's social investments and any need for impairment. The determination of carrying values for early-stage companies is by nature a volatile and uncertain process. Despite

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the inherent volatility, the guidelines applied to determine whether an impairment is required are considered to result in the best estimate of whether and the amount of any impairment required.

In 2021 GIF adopted a new valuations and impairments policy with a multistage flow chart and analysis. We start by looking at recent third-party valuations including recent priced investment rounds. Should the carrying value be equal or higher than our book value then no adjustment to book value is made. In the absence of a third-party valuation, we compare performance to budget. Where there is no material deviation, no adjustment to book value is made. Finally, where there has been a material underperformance on budget, we look at the latest business plan and forecasts in order to assess any long-term value impairment. Where there is no material downside in the long-term value, no adjustment to book value is made.

***Measurement convention***

The financial statements are prepared on the historical cost basis except for any social investments for which it is considered that a reliable estimate of market value exists. The related financial instruments are classified at fair value through income and expense. Where an accurate estimate of market value is unavailable the investments are stated at cost with an assessment for impairment taken at the year end.

***Foreign currency***

GIF operates in 7 Currencies: US Dollars, Pounds Sterling, Euros, Swedish Kroner, Indian Rupees and Canadian Dollars. Transactions in foreign currencies are recognised in the group's statement of income and expense in US Dollars (the functional currency), at the foreign exchange rate ruling at the date of the transaction.

Exchange rates within the accounting system are updated automatically on a daily basis. For the purpose of the first period end, monetary assets and liabilities denominated in foreign currencies at 31st December 2024 are translated to US Dollars at the closing foreign exchange rate ruling on 31st December 2024. Foreign exchange differences arising on translation are recognised in the statement of income and expense.

The functional currency of the subsidiary is US Dollars and therefore no currency difference occurs on consolidation with the group accounts.

***Basic financial instruments***

Trade and other debtors are recognised initially at transaction price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise cash balances and notice deposits, less than three months. The accounting policy for social investments is set out separately below.

***Income recognition***

All income is accounted for when Global Innovation Fund has entitlement, there is probability of receipt, and the amount is measurable. For grant income this is usually when the invoice for payment is raised.

Interest receivable on the notice deposits (less than three months) is recognised in the income and expenditure account as they accrue, using the effective interest method. Realised and unrealised foreign currency gains and losses are reported on a net basis.

***Expenses***

Expenses are recognised on an accrual's basis in the period to which they relate.

All costs are allocated to direct charitable activities or raising funds. Support costs are allocated either as direct costs associated with the investment or indirect costs.

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***Pension costs***

GIF operates a defined contribution pension scheme for its employees and contributes 10% of gross salary where the employee contributes at least 1%. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

***Fund Accounting***

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders or donors' wishes.

***Operating leases***

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Statement of Financial Activities on a straight-line basis over the period of the lease.

***Social Investments***

Social Investments that are loans, equity or convertible loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Fund is able to obtain a reliable estimate of fair value.

An impairment of charge of $1,966K (2023: $1.051K) was recognised in the accounts in relation to the annual assessment of social investments.

***Investment in Subsidiaries***

Investments in subsidiaries are accounted for at cost less any provision for impairment

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## Notes *(continued)*

### 2. Income

| | 2024 | 2023 |
|---|---|---|
| | USD ($000) | USD ($000) |
| **Income** | | |
| Government Grants | 20,435 | 6,403 |
| Private Funding | (1,373) | 55 |
| | **19,062** | **6,458** |

| | 2024 | 2023 |
|---|---|---|
| | USD ($000) | USD ($000) |
| **Government income by country** | | |
| Canada | | - |
| Sweden | 5,229 | (78) |
| United Kingdom | 15,206 | 6,481 |
| | **20,435** | **6,403** |

| | 2024 | 2023 |
|---|---|---|
| | USD ($000) | USD ($000) |
| **Investment Income and other Income** | | |
| Income from investments | 305 | 226 |
| Bank interest on current accounts | 174 | 40 |
| Profit on disposal of investment | - | 293 |
| | **479** | **559** |

No government grants that have been recognised in the accounts have any unfulfilled conditions or other contingencies attached and there are no other forms of government assistance from which the charity has benefited.

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## Notes *(continued)*

### 3. Charitable Activities

| | 2024 | 2023 |
|---|---|---|
| | USD ($000) | USD ($000) |
| **Grants Payable** | | |
| Amani Girls Organization | 170 | - |
| Behavioural Insights Team | 50 | - |
| Blast | - | 200 |
| Brac | - | 44 |
| Breakthrough | - | 19 |
| Buildher | 40 | - |
| Build Change | 220 | - |
| Dgmt-Smartstart | - | 142 |
| Educate! | - | 62 |
| Gender Intentional Safety Nets Program | 226 | - |
| Icm Graduation | 330 | 1,300 |
| Ifmr (Nrega) | 84 | - |
| Igarape Inc. | 30 | - |
| Impact(Ed) | - | 750 |
| J-Pal South Asia | 100 | 100 |
| Lively Minds | 50 | 100 |
| Mtv Staying Alive | 161 | - |
| Place | 181 | 180 |
| Planning For Productive Migration | 180 | - |
| Proximity Designs | 160 | - |
| Rwamrec | 825 | 850 |
| University Of Kent - Blast | - | 160 |
| Venturi | 275 | - |
| Yale (Y Rise) | 200 | - |
| | **3,282** | **3,907** |
| **Impairment of programme related investments** | **1,966** | **1,051** |
| **Staff and other related staff costs** | **4,446** | **3,814** |
| Consultancy & professional | 1,122 | 1,022 |
| Travel & events | 291 | 235 |
| IT costs | 158 | 152 |
| Other support costs | 264 | 223 |
| **Total Support costs** | **1,835** | **1,632** |
| **Foreign Exchange losses** | **323** | **0** |
| **Total costs directly associated to charitable activities** | **11,852** | **10,404** |

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## Notes *(continued)*

For 2024 $3,138k of total expenditure was restricted and $8,714k was unrestricted.

### 4. Programme-related investments

| | Group 2024 | Charity 2024 |
|---|---|---|
| | USD ($000) | USD ($000) |
| **Debt** | | |
| B/F amount | 104 | 104 |
| Additions/Interest accrued | 677 | 677 |
| Investments paid back | (384) | (384) |
| Disposals | (58) | (58) |
| Impairment charge | 120 | 120 |
| C/F amount | 460 | 460 |
| | | |
| **Convertible debt instruments** | | |
| B/F amount | 2,081 | 2,081 |
| Additions/Interest accrued | 1,551 | 1,551 |
| Disposals | - | - |
| Debt converted to equity | - | - |
| Impairment charge | (8) | (8) |
| C/F amount | 3,623 | 3,623 |
| | | |
| **Equity** | | |
| B/F amount | 14,466 | 14,466 |
| Additions | 370 | 370 |
| Disposals | - | - |
| Debt converted to equity | - | - |
| Impairment charge | (2,078) | (2,078) |
| C/F amount | 12,758 | 12,758 |
| | | |
| **Total programme-related investments** | **16,841** | **16,841** |
| | | |
| Investment in a wholly owned subsidiary (GIF Growth Limited) | - | 5,096 |
| | | |
| **Total Investments** | **16,841** | **21,938** |

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## Notes *(continued)*

### 5. Debtors

| | Group 2024 | Charity 2024 | Group 2023 | Charity 2023 |
|---|---|---|---|---|
| | USD ($000) | USD ($000) | USD ($000) | USD ($000) |
| **Debtors** | | | | |
| **Trade receivables** | | | | |
| Deposits | 64 | 64 | 42 | 42 |
| Prepayments and accrued income | 147 | 191 | 844 | 847 |
| Other debtors | 7 | 7 | 28 | 28 |
| Amounts owed by subsidiary undertaking | - | 192 | - | - |
| | **218** | **454** | **914** | **917** |

### 6. Cash at bank and in hand

| | Group 2024 | Charity 2024 | Group 2023 | Charity 2023 |
|---|---|---|---|---|
| | USD ($000) | USD ($000) | USD ($000) | USD ($000) |
| **Cash at bank and in hand** | | | | |
| Cash in hand | 8,315 | 7,657 | 2,227 | 2,211 |
| Notice deposits (less than 3 months) | 7,974 | 3,552 | 5,724 | 5,724 |
| | **16,289** | **11,209** | **7,951** | **7,935** |

### 7. Creditors

| | Group 2024 | Charity 2024 | Group 2023 | Charity 2023 |
|---|---|---|---|---|
| | USD ($000) | USD ($000) | USD ($000) | USD ($000) |
| **Creditors: amounts falling due within one year** | | | | |
| Trade creditors & accruals | 269 | 180 | 125 | 111 |
| | **269** | **180** | **125** | **111** |

Docusign Envelope ID: 0ABABE61-AD67-48CE-B9FB-99BB575DA0B0



## Notes *(continued)*

### 8. Funds

The restricted funds are received under an agreement with GAC (Canada), FCDO (Climate), FCDO (GIF Growth), SAS-P and Dioraphte. GAC have stipulated their funds are to be invested in initiatives that have a gender focus.

| | Group 2024 USD ($000) | Charity 2024 USD ($000) | Group 2023 USD ($000) | Charity 2023 USD ($000) |
|---|---|---|---|---|
| **Restricted funds** | | | | |
| Balance brought forward | 4,652 | 4,652 | 6,653 | 6,653 |
| Grant & Other Income | 7,606 | 7,606 | - | - |
| Grants & Other Expenditure | (1,982) | (1,982) | (1,493) | (1,493) |
| Increase/(Decrease) in Investments | (1,155) | (1,155) | (508) | (508) |
| Balance carried forward | **9,120** | **9,120** | **4,652** | **4,652** |

| | Group 2024 USD ($000) | Charity 2024 USD ($000) | Group 2023 USD ($000) | Charity 2023 USD ($000) |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| Balance brought forward 1st January | 20,739 | 20,739 | 21,918 | 21,918 |
| Grant & Other Income | 11,935 | 12,085 | 7,225 | 7,225 |
| Grants & Other Expenditure | (7,904) | (7,714) | (7,353) | (7,353) |
| Increase/(Decrease) in Investments | (810) | (810) | (1,051) | (1,051) |
| Balance carried forward 31st December | **23,960** | **24,300** | **20,739** | **20,739** |
| Total Funds | **33,080** | **33,420** | **25,391** | **25,391** |

| | Group 2024 USD ($000) | Charity 2024 USD ($000) | Group 2023 USD ($000) | Group 2023 USD ($000) |
|---|---|---|---|---|
| **Fund Balances as at 31st December (Group)** | **Unrestricted** | **Restricted** | **Unrestricted** | **Restricted** |
| Investments | 16,734 | 108 | 15,388 | 1,263 |
| Current Assets | 7,495 | 9,013 | 5,475 | 3,389 |
| Current Liabilities | (269) | - | (125) | - |
| Total Funds | **23,960** | **9,120** | **20,739** | **4,652** |

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## Notes *(continued)*

### 9. Auditor's remuneration

| | Group 2024 USD ($000) | Group 2023 USD ($000) |
|---|---|---|
| **Included in the statement of financial activities are;** | | |
| Statutory audit fees | 69 | 63 |
| Tax advisory fees | 4 | 1 |
| | **73** | **64** |

### 10. Staff numbers and costs

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

| | Group 2024 USD ($000) | Group 2023 USD ($000) |
|---|---|---|
| **Category** | | |
| Investment | 10 | 10 |
| Analytics | 4 | 5 |
| Legal | 5 | 6 |
| Administration | 9 | 8 |
| | **28** | **29** |
| *The aggregate payroll costs of these persons were as follows:* | | |
| Wages and salaries | 3,037 | 2,738 |
| Social security costs | 259 | 307 |
| Contributions to defined contribution pension plans | 790 | 583 |
| Other employee benefits | 216 | 175 |
| Other Staff costs | 7 | 11 |
| | **4,310** | **3,814** |

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## Notes *(continued)*

### Staff banding

*The number of employees whose total compensation package (excluding pension) exceeded $81k are as follows:*

| | Group 2024 USD ($000) | Group 2023 USD ($000) |
|---|---|---|
| USD | | |
| 81,000 - 93,999 | 4 | 3 |
| 94,000 - 107,999 | 3 | 2 |
| 108,000 - 120,999 | 1 | 4 |
| 121,000 - 134,999 | 4 | 2 |
| 135,000 - 148,999 | 1 | 0 |
| 149,000 - 161,999 | 1 | 2 |
| 162,000 - 174,999 | 1 | 1 |
| 175,000 - 188,999 | 2 | 1 |
| 216,000 - 228,999 | 1 | 0 |
| 268,000- 280,999 | 0 | 1 |
| 403,000 -422,000 | 1 | 0 |
| | **19** | **16** |

### Remuneration of Key Management Personnel

The total compensation package for key management personnel totalled $1,641k (2023: $1,334k). The trustees received no remuneration for their services to the company.

The above bandings factor in termination payments made in year.

### Termination payments

Termination payments made during the year were $294,907 (2023: $15,384 as part of an organisational restructure. These have been included within "Wages and salaries" within the aggregate payroll costs table in note 10.

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## Notes *(continued)*

### 11. Financial Instruments

The carrying amounts of the financial assets and liabilities include

| | Group 2024 USD ($000) | Group 2023 USD ($000) |
|---|---|---|
| **Financial Instruments** | | |
| Financial Assets - amortised cost | 33,202 | 24,672 |
| Financial Assets - fair value | - | - |
| Financial Liabilities - amortised cost | 269 | 125 |
| **Financial Assets** | | |
| Cash | 16,289 | 7,951 |
| Debtors | 71 | 70 |
| Social investments | 16,841 | 16,651 |
| | **33,202** | **24,672** |
| **Financial Liabilities** | | |
| Trade creditors & accruals | 269 | 125 |
| | **269** | **125** |

As quoted prices are unavailable, investments are recognised at cost less impairment. An assessment of the investments was made at the year-end by the senior management and an impairment charge of $1,966k (2023: $1,051k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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## Notes *(continued)*

### 12. Funding Commitments

| | | 2024 Grant Commitments | 2024 Risk Capital Commitments | 2024 Total |
|---|---|---|---|---|
| | 2025 | 3,335 | 304 | 3,639 |
| | 2026 onwards | 667 | - | 667 |
| Total annual commitments | | **4,001** | **304** | **4,305** |

### 13. Trading activities of subsidiary

Global Innovation Fund, a non-profit subsidiary, is registered in the US (FEIN 47-4045086), located in Washington DC had the following results to 31/12/2024.

Global Innovation Fund is the sole member of the US entity and has certain governance rights under its articles and by laws, including, but not limited to, appointing board members.

The US entity carries out administrative activities such as employing US based staff and leasing premises to further the objectives of the parent entity.

| | 2024 USD ($000) | 2023 USD ($000) |
|---|---|---|
| **Income & Expenditure** | | |
| Total support received & revenue | 875 | 800 |
| Total expenses | (875) | (800) |
| | | |
| **Balance Sheet** | | |
| Assets | 176 | 105 |
| Liabilities | (176) | (105) |
| | **-** | **-** |

The 2024 balance sheet has been restated to reflect corresponding assets and liabilities for deferred pension plans, in accordance with 457(b) and 457(f) held at year end for the benefit of the CEO.

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## Notes *(continued)*

GIF Growth Limited, a for-profit subsidiary, is registered in the UK (company number 12392232), located in London had the following result to 31/12/2024.

| | 2024<br>USD ($000) | 2023<br>USD ($000) |
|---|---|---|
| **Income & Expenditure** | | |
| Total Income | 42 | - |
| Total expenses | (383) | - |
| **Net loss for the Year** | **(341)** | |
| | | |
| **Balance Sheet** | | |
| Assets | 5,025 | - |
| Liabilities | (269) | - |
| **Net Asset** | **4,756** | |
| | | |
| **Equity** | | |
| Called up share capital | 5,097 | - |
| Current Year Earnings | (341) | - |
| **Shareholders 'fund** | **4,756** | |

### 14. Defined contribution scheme

The group operates a defined contribution pension scheme. The total expense relating to this scheme amounted to $791k (2023: $583k) during the period which has been charged to the Statement of Financial Activities. The contributions were paid using unrestricted funds.

### 15. Related party disclosure

*Trustees*
None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

*Trustees' expenses*
In 2024, Trustees expenses amount to $9.3K related to flights and accommodation for fund raising activities and launch of its subsidiary Fund. In 2023 no trustees' expenses were incurred.

*Subsidiary*
GIF gave $790k (2023: $500k) to its subsidiary located in Washington DC to fund its administration expenses and $46.6k (2023: $126k) of expenses were paid by GIF on behalf of the US. At the year end, the subsidiary owed GIF $nil (2023:nil).

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## Notes *(continued)*

### 16. Post year end events (non-adjusting)

After the end of 2024 reporting period, GIF received notification of a material change in the management strategy of one of its portfolios resulting in a plan to transfer and sale its business. GIF investment in this portfolio is expected to suffer an estimated ~90% impairment in 2025. GIF current investment value in this portfolio is $1.6m as at December 2024

Additionally, in May and August 2025, the Board of the Global Innovation Fund approved the transfer of certain portfolio investments to its wholly owned subsidiary, GIF Growth Limited, in exchange for newly issued shares in GIF Growth Limited. The total consideration for these transfers is expected to be approximately $15.7 million. Completion of the transfers is subject to the finalisation of legal documentation.

**GLOBAL INNOVATION FUND**

England & Wales - Charity number 1171353

# Accounts

Docusign Envelope ID: DA09B0E9-866B-4676-A6B2-3AA43318F6C6






# Report and Audited Financial Statements for the year ending 31st December 2023

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INTRODUCING GIF

# TAKING SMART RISKS IN INTERNATIONAL DEVELOPMENT

The Global Innovation Fund finds and funds innovations with the potential to transform the lives of people living on less than $5 a day. We are a non-profit multilateral investment vehicle which places rigorous evidence and impact measurement at the core of our investment decision-making process. We back entrepreneurs and innovators with exciting ideas for change and support them on their pathway to impact at scale.

GIF® defines innovation broadly. Through grants, loans and equity investments, GIF's portfolio has the potential for outsized social impact, whether through new technologies, business models, policy practices or behavioural insights. Funding climate adaptation and resilience initiatives has become a central focus of our work – and we are committed to continuing to address the challenges posed to women and girls. We support innovators at all stages of their life cycle, from start-up and pilot-testing through to larger scale implementation.

*We back entrepreneurs with exciting ideas for change and support them on their pathway to scale.*

GIF's patient capital, flexible terms, and venture support enable innovations to become more attractive to commercial investors. The gap we seek to fill is that space before an innovator is ready to seek big money – when risk is high, and the promise of social value is at least as enticing as the potential for financial returns. We seek solutions that can scale up commercially, through the public sector, or through a combination of both, to achieve widespread adoption. We look for new solutions to persistent market failures, in pursuit of social return.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere, and maintain an open application process which is accessible via our website. If you are an innovator with a focus on solving hard development challenges in poorer countries, with a commitment to the rigorous generation of evidence and generating impact at scale, we want to hear from you.

*At the heart of GIF's work are our smart, industrious and dedicated investees.*

At the heart of GIF's work are our smart, industrious and dedicated investees. It is their vision which helps us advance our mission of a world in which people everywhere are living in inclusive, sustainable, and dynamic economies and societies. We thank you for all you do and all you have delivered in 2023.

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# DEAR FRIENDS

In 2013, a Prime Minister and a President agreed to collaborate on a new approach to international development. In announcing the launch of a non-profit impact investment fund, they sought to mobilise aid funding into high impact innovations. They created a flagship UK-US partnership which would go on to secure the support of the Swedish, Australian and Canadian governments, as well as corporate and philanthropic funders.

## SHOWING INNOVATION PAYS

Ten years on, the Global Innovation Fund continues to demonstrate the transformative power of taking smart risks in international development. We have combined creative investment models with rigorous evidence gathering, demonstrating value for money and long-term impact: put simply, we show that innovation pays.

In 2023, GIF® closed seven transactions, addressing challenges including access to clean drinking water, domestic violence, and increasing financial agency amongst

*Ten years on, the Global Innovation Fund continues to demonstrate the transformative power of taking smart risks in international development.*

marginalised women. Innovations in our portfolio are expected to benefit 156m people by 2033, and our research and analysis show that just six of our earliest investments have generated more than $2.8bn in social benefits to date.

2023 was the world's warmest year since records began. GIF continues to seek out scalable and innovative solutions that can strengthen the resilience of the most vulnerable communities to the impacts of climate change. This year, we appointed a team of expert advisors to support and elevate our work in climate adaptation.

We also marked the fifth anniversary of our Innovating for Gender Equality Fund, through which we have partnered with ambitious, committed and diverse innovators driving positive outcomes for women and girls. By placing an explicit value on women's agency, GIF's investments have been transformative - and are now rapidly scaling.

Our gender work has been closely aligned with the priorities of our supporters, Global Affairs Canada, and the FCDO, our anchor funder, which published its first International Women and Girls Strategy in March.

## CROWDING IN CAPITAL

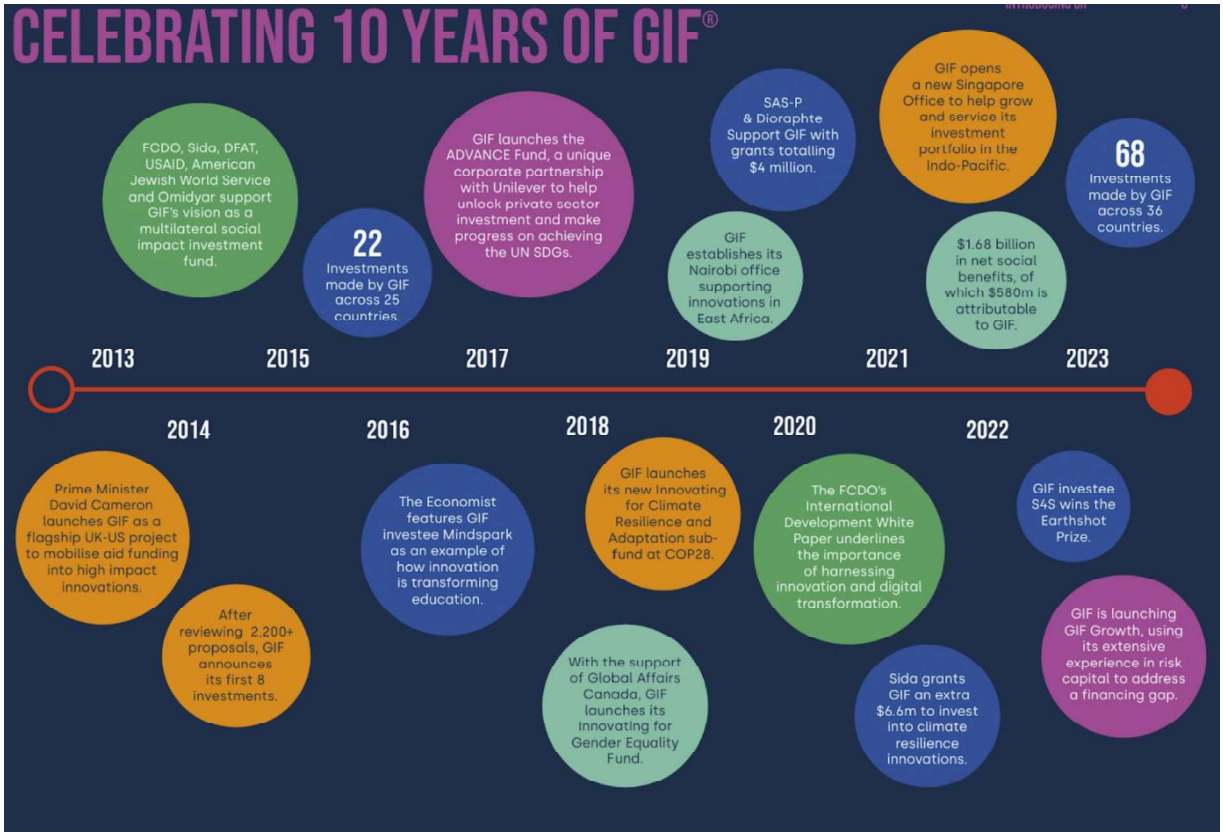
GIF's creative approach to financing addresses the large, unmet demand for blended, risk-taking capital in fragile places. It also makes our portfolio more investible. Our investments have attracted $8 in capital for every dollar GIF has invested. In 2023, our approach mobilised $10 of additional investment from commercial funders as well as from the philanthropic/public sector. It also helps unlock the vital private sector capital required to deliver against the SDGs.

GIF works with forward-thinking, mission-aligned government development agencies, foundations and businesses. I would like to take this opportunity to thank them for their continued input and commitment to scale innovation.

**Alix Peterson Zwane PhD**
Chief Executive Officer

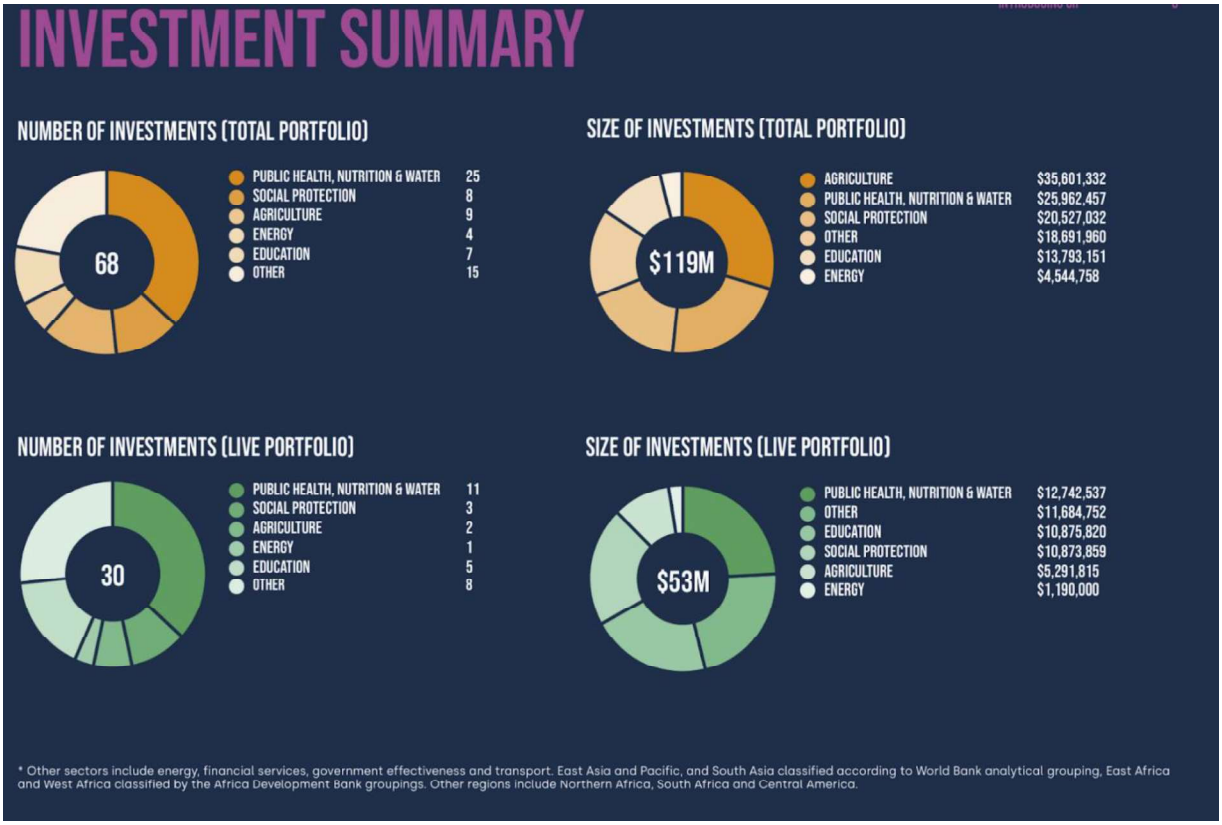
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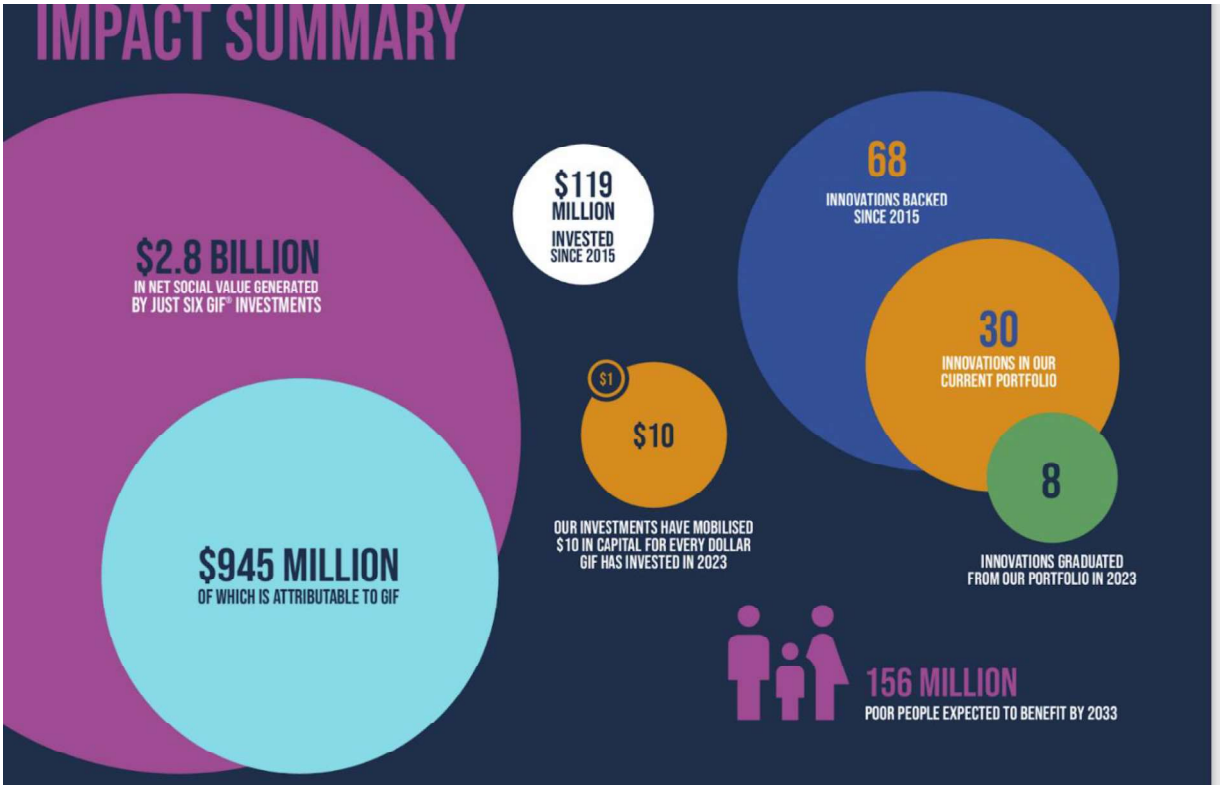
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## Trustees, Officers and Advisers

### Trustees

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

- Jane Siebels (resigned 20th February 2023)
- Santhosh Mathew
- James Clark
- James Habyarimana
- Kathryn Kaufman
- Jeremy Weinstein
- Sarah Pearson (re-appointed 17th March 2022, resigned 24th January 2023)
- Caroline Read (resigned 31st December 2023)
- Helen King (appointed 1st January 2024)

### Key management personnel

| | |
|---|---|
| Chief Executive Officer | Alix Zwane (resigned 31st March 2024) |
| Acting Chief Executive Officer | Joseph Ssentongo (appointed 1st April 2024) |
| Chief of Staff and Director of Policy | Zach Johnstone (resigned 5th May 2023) |
| Chief Finance Officer | Shane Leonard (resigned 31st March 2023) |
| Chief Investment Officer | Avinash Mishra (appointed 1st April 2023) |
| Senior Vice President, Impact | Joseph Ssentongo (appointed 1st January 2022, resigned 31st March 2023) |
| Chief Operating Officer | Joseph Ssentongo (appointed 1st April 2023, became Acting CEO on 31st March 2024) |
| General Counsel | Cillian Moynihan (appointed 1st April 2023) |
| Senior Vice President, Impact | Rachna Nag Chowdhuri (appointed 1st April 2023, resigned 30th April 2024) |
| Head of Finance | Tom Mason (appointed 1st April 2023) |

### Professional advisors

| | | |
|---|---|---|
| Auditors | Crowe U.K. LLP | St James House, St James Square, Cheltenham GL50 3PR |
| Bankers | Barclays Bank Plc | 1 Churchill Place, London E14 5HP |
| Solicitors | Bates Wells Braithwaite LLP | 10 Queen Street Place, London EC4R 1BE |

### Address of principal office

Global Innovation Fund's principal and registered office has the same address;

8 Devonshire Square

London

EC2M 4PL

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## Trustees' Report

The Trustees present their report, the directors' report, and consolidated financial statements for the year ended 31st December 2023.

Under the Charities Act 2011 and the Companies Act 2006 the Directors' Report and Strategic Report are included within the Trustees Report.

**Business review and future developments**

This has been discussed in the Strategic Report section.

The Board has delegated responsibility for GIF's investment selection (i.e., the selection of innovative investments to further GIF's mission) to the CEO and staff team, as outlined in GIF's, Byelaws and scheme of delegated authorities.

**Directors Report**

**Appointment of Trustees**

GIF's Articles of Association and Byelaws set out guidance on the composition of the Board of Trustees who are the Directors as defined under the Companies Act. The Board is entirely non-executive and comprises a majority of Trustees that are independent of any GIF funder ("A" Trustees). "A" Trustees are recruited from the following fields: private sector, civil society, the public sector and academia. They are formally appointed by the Board following approval by the Members. "A" Trustees serve for three-year terms with possible reappointment.

The Board also includes seats for Trustees that are elected by GIF's funders ("B" Trustees). "B" Trustees are elected at the start of each three year funding cycle of the charity.

The Trustees meet formally each quarter.

The Trustees have delegated day-to-day management of GIF to its Chief Executive Officer and her senior management team. The Board has also delegated authority to the Audit & Finance Committee and the Human Resources Committee, and has constituted an advisory Development Committee. Each of these committees reports back to the Board quarterly and makes recommendations to the Board for approval as necessary.

The Trustees review and approve as applicable on an annual basis:

- the annual budget and operating plan for the charity;
- the charity's financial results and variances from budget;
- the charity's key performance indicators;
- the charity's investment and grant portfolio and any major risks associated with the projects.

The Trustees also regularly review the charity's risk register. The Audit & Finance Committee of the Board receives quarterly updates from senior management on risks and ensures that appropriate controls are in place to mitigate those risks.

**Induction and training of new Trustees**

Each new GIF Trustee is briefed on the role of a Trustee and a Director under Charities Law and the Companies Act. They are provided with copies of relevant Charity Commission guidance and the charity's organisational documents. The Trustees also receive training on Trustee and Director duties and responsibilities, anti-bribery and corruption and conflicts of interest.

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**Pay and remuneration**

The Human Resources Committee (appointed by the Board) is responsible for setting strategies relating to human resource needs for the charity and oversees the charity's compensation philosophy. The HRC makes a recommendation to the Board regarding the CEO's annual compensation. The CEO is responsible for setting the terms of remuneration for senior management.

Every year all staff go through an annual review looking at their performance against their objectives set at the start of the year. Pay increases are then dependable on the performance rating of each staff member.

**Related Party**

None of the Trustees receive remuneration or other benefit from their work with the charity, although expenses are paid. Any connection of a Trustee with a request for financial assistance under discussion will be disclosed at a Board of Trustees meeting in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Details of Trustee expenses are disclosed in Note 16 to the accounts. There were zero in 2023.

**Auditor**

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

## Strategic Report

This strategic report for the GIF's ninth full financial year covers the full financial period from 1st January 2023 to 31st December 2023, and includes information in the 'year in review' and 'measuring impact' sections of these accounts.

GIF was incorporated on 17th September 2014 as a company limited by guarantee. GIF has a 100% owned subsidiary, also called the Global Innovation Fund, incorporated in the District of Columbia, United States of America, on 9th April 2015. This subsidiary began operations on 13th April 2015.

GIF has a second 100% owned subsidiary, GIF Growth Limited. This was dormant at year end, though trading has commenced in 2024.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Statement of public benefit**

GIF was granted charity status with the Charity Commission for England and Wales on 27th January 2017 with the charity number 1171353. The Articles of Association were adopted on 28th November 2016.

GIF meets the definition of a public benefit entity under FRS 102.

GIF invest in the development, rigorous testing, and scaling up of new products, services, business process, or policy reforms that are more cost-effective than current practice and targeted at improving the lives of the world's poorest people.

Over this reporting period, and in line with the goals, GIF has approved investments in a broad range of innovations across the developing world, covering the three themes of making public services work for the poor, creating productive jobs and easing market frictions and enhancing agency for women and girls.

**Aims and purpose of the Charity**

GIF's mission is:

- To support innovations that could scale up to benefit millions of people now living on less than $5/day; and

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- To improve the overall impact of development expenditure - public and private, international and domestic - by demonstrating the effectiveness of outcome-oriented, evidence-based investment.

GIF aims to support the global public good of generating innovations that will collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries. To accomplish this, GIF seeks to accelerate the development, rigorous testing and scaling of cost-effective innovations, in particular by:

- providing an open global innovation platform to support piloting and testing new innovations for the world's poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;
- providing grants and making risk capital investments to support the transition to scale of:
    - innovations designed to scale commercially that have passed a market test, and;
    - innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and
- generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

**Investment Policy**

GIF supports innovations that benefit people living on less than the equivalent of US$5 per day in developing countries, and is especially interested in innovations that impact people living on less than US$2 per day.

GIF defines "innovation" as any solution that has potential to improve the lives of the poor in developing countries more effectively than existing approaches. This includes new products or services, policy practices, business models, operational or production processes, behavioural insights, or ways of delivering products and services that benefit the poor, across all relevant sectors. These innovations could come from social enterprises, for-profit firms, non-profit organisations, researchers, academics, government agencies or any other relevant institution or individual.

GIF seeks to fill market gaps, and is especially interested in supporting promising innovations that may otherwise struggle to find appropriate forms of funding for objectives that align with those of GIF, e.g. piloting development innovations, gathering rigorous evidence of impact or achieving greater scale.

**Grants**

GIF works with a wide range of institutions to fund specific research projects. Payment of grants is conditional upon the performance of key tasks. Where such tasks remain incomplete, payment is withheld. GIF operates an annual review process whereby grants are reviewed to ensure progress is being made and the programme complies with expectations before continuing payment is confirmed. As a result, the first payment of each grant is made up front, with further payments contingent on the above policy.

**Reserves Policy**

The approved reserves policy intends to ensure GIF is in a position where it holds sufficient working capital to fulfil short-term contractual and constructive investment commitments, as well as sufficient funds to cover medium term operational expenditure. The Reserves Policy is approved by the board in line with the requirements of GIF's donor governments. The charity aims to have free reserves of $5m to stay in line with the approved policy taking into account the variable investment commitments it makes in the year.

**Investment Commitments**

GIF intends to hold sufficient funds to fulfil any disbursements relating to contractual and constructive obligations falling due in the preceding twelve months. Current levels of investment commitments are shown in note 13 to the accounts.

**Operational Expenses**
Operational expenses are those incurred through the course of running GIF's offices, employing staff and making investments. The medium-term value of reserves will relate to twelve months' costs as per the most recent operational budget or forecast.

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**Working Capital**

GIF aims to hold a minimum level of working capital of $5 million, in order to accommodate any investment activity beyond the time horizons indicated and any unforeseen costs.

| | |
|---|---|
| Total Funds at 31st December 2023: | $25.4m |
| Less: | |
| Restricted Funds | ($4.7m) |
| Investments (from unrestricted funds) | ($15.4m) |
| Funding Commitments | ($5.1m) |
| Free Reserves Balance | $0.2m |

Free reserves are lower than that stipulated within the approved policy, though are expected to increase following the successful renegotiation of a new funding cycle with GIF's principle funders and increased resulting funding receipts in 2024.

**Financial Review**

GIF's income from its funders decreased from $9,545k in 2022 to $6,458k in 2023. Investment income increased from $168k to $559k.

During the year $2.7m of new risk capital investments (Debt, Equity or Convertible Debt) were made. At the end of the year an in-depth review of our investments was undertaken. It was decided that writedowns, totalling $1,051k (2022: $6,036k) were necessary due to uncertainties around various aspects of the financial position and performance of investees including their ability to continue as a going concern. The impairment losses are included within Charitable activities in the Statement of Financial Activities.

Total funds as at the end of the year was $25,391k (2022: $28,570k) of which $4,652k (2022: $6,653k) was restricted.

**Going Concern**

The trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs (including the level of cash reserves that can be used for this purpose), grant commitments, and the expectations of funders for new investments. The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future. As the assessment period is at least twelve months from the date of approval of these financial statements, it is therefore appropriate to prepare these financial statements on the going concern basis.

GIF has recently renewed a multi-year funding cycle with its anchor funder. This mitigates to a large extent the risk around going concern. However, a funding cycle with another principle funder comes to an end in 2024. Whilst expectations are that this will be renewed, naturally there remains a risk until done so.

Additionally, GIF is actively seeking other funders and is in advanced stages of talks with some.

Due to the uncertainty in the funding landscape discussed above, this would represent a material uncertainty that may cast doubt upon the organisation's ability to continue as a going concern.

The trustees continue to monitor this risk closely with a view to assess and mitigate the impact on the organisation and its social impact.

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**Review of the group's operations**

Our goal at GIF is to find, fund, and scale-up cost-effective, evidence-based innovations that have the potential to measurably improve the lives of millions of people in the developing world.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere. Through our grants and risk capital, we help breakthrough solutions to global development challenges from social enterprises, for-profit firms, non-profit organisations, researchers, and government agencies to maximise their impact and affect meaningful change.

We support innovators at all stages of development, from start-up and pilot-testing through to larger scale implementation - the innovations we fund can be located in any developing country and can focus on any sector relevant to international development, provided they are committed to improving the lives of those living on less than $5 a day.

When thinking about where to invest, we look for promising entrepreneurs and seek to become their early partners as they test, adapt and improve their business model, before they are big enough to work with development finance institutions. We can also support experimentation and evidence gathering in domestic resource mobilisation, such as in increasing tax compliance in developing countries or supporting remittance flows.

During this period geopolitical and economic uncertainty continued to negatively impact the funding environment, slowing decision-making in donor agencies and reducing overall aid budgets. Nonetheless we have continued our engagement with both existing and potential new funders who align with GIF's impact first, evidence-based investment approach. These conversations will continue in 2024 as GIF seeks to mobilise additional capital in pursuit of social returns.

On this backdrop, over the past year we have achieved the following results:

- **We invested in evidence-based impact:** In 2023, we closed seven new transactions, addressing challenges including access to clean drinking water, gender-based violence, and increasing financial agency amongst marginalised women.
- **We continued to demonstrate that investing in innovation pays**: The total net social benefits already achieved by just six mature and scaled up innovations is $2.8 billion. Out of this, $945m can be directly attributed to GIF. Furthermore, based on Practical Impact (our long-term forecasting methodology), GIF expects its portfolio of evidence-based grants and risk capital investments to benefit 156 million people annually by 2032. We also expect our innovations to generate a total attributable value of $3.7 billion in net economic benefits within ten years of their investment. Those benefits include higher incomes, better health, and improved education. That works out to $43 in benefits for each dollar invested. Our investments have also been catalytical: For every $1 GIF has invested, a further $10 has been crowded-in from other sources, vital to achieving the UN Sustainable Development Goals.
- **We committed to improving our organisational transparency:** This included the publication of completion assessment reports covering the achievements of, and lessons learned from GIF Core's former portfolio innovations, and impact briefs analysing the impact that innovations currently funded by GIF have achieved to date. All our innovations have data published on the International Aid Transparency Initiative (IATI).
- **We strengthened our position as a thought-leader on gender-inclusive investment:** 2023 marked the fifth anniversary of our Innovating for Gender Equality Fund, through which we have partnered with ambitious, committed and diverse innovators driving positive outcomes for women and girls. By placing an explicit value on women's agency, GIF's investments have been transformative - and are now rapidly scaling. Over the past 5 years, we have committed $16m (with $135m raised from other donors) to innovations impacting women and girls across 19 countries. We estimate that over 44m women and girls are projected to benefit from these innovations by 2033. Furthermore, by placing an explicit value on women's agency, we have successfully pursued transformative investments in empowering women and girls. For instance, we expect that within 10 years of our initial investments, No Means No Worldwide will reach 1-3 million girls, preventing 80,000-120,000 sexual

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assaults of adolescents, and Breakthrough will have measurably changed the gender attitudes of 8 million girls and boys.

- **We further developed our approach to climate adaptation and resilience:** we appointed a team of expert advisors to support and elevate our work on climate adaptation. The five appointees have forged distinguished careers as academics, advisors, authors and policymakers. Their deep expertise and diverse perspectives will help us identify and assess innovations that can make a meaningful contribution to improving the resilience of the world's most climate-threatened people. The group will provide up-to-date advice and insights into investment relevant trends, issues and developments in global climate negotiations, climate science and climate finance. They will also act as a bridge, providing potential leads and opportunities for the GIF investment pipeline.
- **Sharing of knowledge of what works in development:** We continued to influence the field and shareour knowledge of what works. Since 2015, we have worked with academics and researchers to inform our decisions. This includes funding 23 randomised control trials (to date) driving evidence-led innovation; helping generate 18 peer-reviewed journal publications influencing thinking and partnerships with 42 universities.
- **We demonstrated that our innovators are achieving significant results**: In February, SwipeRx boosted its Series B funding round to $37 Million to accelerate its B2B pharmacy platform across Southeast Asia; In March, Lively Minds was used as an exemplar by the Federation of American Scientists of how playful learning is key to quality early child education; In May, SparkMeter announced a new partnership with The National Energy Corporation of Somalia (NECSOM), accelerating a path to affordable, renewable power in Somalia while empowering customers with real-time access to energy usage; and, In November, S4S Technologies, one of GIF's newest investments, was presented with the 2023 Earthshot Prize by HRH the Prince of Wales at anawards ceremony in Singapore. The Earthshot Prize Foundation finds and grows solutions that address environmental concerns, and each year awards five winners with a grant of £1 million for their contributions to environmentalism.
- **We invested locally for sustained impact:** GIF only backs innovations that are relevant to local needs, and we seek to direct more of our funding towards locally headquartered organisations. Our investments in 2023 were no exception. For example, we awarded a $230k pilot grant to Amani Girls Organisation (AGO), a Tanzanian-based and led non-profit which has developed a unique intervention to tackle sexual violence against adolescent girls in Tanzania. We also awarded a $1.8 million grant to the Rwanda Men's Resource Centre (RWAMREC) to support its innovative programme which aims to make men better fathers, reduce domestic violence and promote equality.

**Principal risks facing the group**

The table below outlines key organisational risks faced by GIF in achieving its mission, and what we're doing to mitigate those risks.

| Risk | Explanation/example | Management and mitigation |
|---|---|---|
| Funding Risk | Economic and policy factors or internal delays in key funding countries, and difficulties attracting new donors, results in a negative financial impact on GIF. However, GIF has agreed a renewed funding cycle with its principal funder (see above and under going concern in the accounting policies). | -Continuing to make the policy case for the GIF model including its gender and climate work;<br>-Increase in fundraising activity with pursuit of new government and corporate partners leveraging existing donor support where possible<br>-Diversifying sources of capital with GIF Growth. |
| Impact risk | Investing in fragile markets increases the risk of backing innovations that fail or are not suited to the GIF portfolio, as well as expected early-stage failure risk. | Rigorous due diligence and investment process, active portfolio management, and understanding the market context |

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| | | |
|---|---|---|
| | | in which portfolio organisations operate. |
| Valuation & Impairment risk | The nature of GIF' risk capital investments, means the risk of impairment of investments made is high | Rigorous due diligence and monitoring of investments.<br>Increased impairment is expected given the maturing portfolio and the current environment within private capital.<br>Social impact remains the key metric against which investment success in measured. |

These risks have, so far, proved manageable. A fully-encompassing corporate risk register is updated and reviewed by the Audit and Finance Committee and the wider Board of Trustees.

**Goals & Key Objectives**

1. **One Mission: Multiple Vehicles:** GIF "Core" and GIF Growth: We have recognised that GIF's unique model can support not only the deployment of Official Development Assistance, but can also create unique impact for pools of returnable capital that are being invested in more traditional impact investors.

2. **One Mission: One Deal Team:** The power of the GIF team is that we bring together rigorous economic analysis grounded in evidence, a deep understanding of the context in which our innovations can scale, financial acumen, a venture mind-set, and an ability to take smart risks. We have learned that the key to unlocking the power of this combination is to structure ourselves in a way that draws on the resources from across the GIF team and breaks down organisational silos.

3. **Enhancing the Agency of Women and Girls:** With its gender sub-fund, GIF will continue to apply, and improve on, the gender lens that it brings to all its investments, mainstreaming gender analytics into deal selection, diligence, and venture support. We will continue to partner with world-leading gender experts to grow our expertise and build a portfolio that prioritises gender equality outcomes.

4. **Investing in Innovation Focused on Climate Adaptation and Resilience:** Having launched the 'Innovating for Climate Resilience Fund' at COP26, with seed funding from the UK Foreign, Commonwealth and Development Office, we secured additional funding commitment from the Swedish International Development Cooperation Agency. GIF has continued to make investments in its climate sub-fund, harnessing its innovative model to invest in scalable early stage solutions to help people adapt and build resilience to climate change.

5. **GIF will invest where the world's poor live and in innovations that matter to them:** We will strategically complement our commitment to open innovation by deepening our expertise in markets where we have traction and where our capital can catalyse additional investment.

## Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Global Innovation Fund for the purposes of Company Law) 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 Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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Under company law the Trustees 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 charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- each trustee has taken all the steps that they should have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are 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.

This report has been prepared taking advantage of the provisions of the Companies Act 2006 available for small companies.

*The Trustee's Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report continued therein, and is signed as authorised on its behalf by;*

Signed by:
James Clark
951FB70A3A2F4BE...

**James Clark**
*Chair of the Board of Directors*
*Global Innovation Fund*

8 Devonshire Square, London, EC2M 4PL

Date: 18 July 2024

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# Independent Auditor's Report to the Members of Global Innovation Fund

## Opinion

We have audited the financial statements of Global Innovation Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise The Consolidated Statement of Financial Activities, The Consolidated and Charity Balance sheets, The Consolidated Cash Flow Statement 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 Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 December 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 group 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

We draw attention to Note 1 to the financial statements under the heading 'Going concern' which indicates that the charitable company is currently in the process of agreeing a renewed funding with one of its funders. Note 1 'Going concern' states that due to the uncertainty in the funding landscape, and if the funding does not materialise this could represent a material uncertainty that may cast doubt upon the company's ability to continue as a going concern. Our opinion is not modified in this respect.

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. 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

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**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

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We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), taxation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income, grant expenditure, valuation of social investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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.



Tara Westcott

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Cheltenham

Date: 23 July 2024

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## Consolidated Statement of Financial Activities

*For the year ended 31 December 2023*

| | *note* | Unrestricted Funds 2023 USD ($000) | Restricted Funds 2023 USD ($000) | Total Funds 2023 USD ($000) | Total Funds 2022 USD ($000) |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Charitable activities - Grants | *2* | 6,458 | - | 6,458 | 9,545 |
| Investment & Other Income | *2* | 559 | - | 559 | 168 |
| Other income - Foreign exchange gain | | 208 | - | 208 | 4 |
| **Total income** | | 7,225 | - | 7,225 | 9,717 |
| **Expenditure on:** | | | | | |
| Charitable activities | *3* | (8,404) | (2,000) | (10,404) | (21,759) |
| **Total expenditure** | | (8,404) | (2,000) | (10,404) | (21,759) |
| **Net movement in funds** | | (1,179) | (2,000) | **(3,179)** | **(12,043)** |
| **Reconciliation of funds:** | | | | | |
| *Total funds brought forward as at 1st January 2023* | | 21,918 | 6,653 | 28,570 | 40,613 |
| *Total Funds carried forward as at 31st December 2023* | | **20,739** | **4,652** | **25,391** | **28,570** |

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## Consolidated and Charity Balance Sheets

*As at 31 December 2023*

| | *note* | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Investments | 4 | 16,651 | 16,651 | 15,151 | 15,151 |
| **Total fixed assets** | | **16,651** | **16,651** | **15,151** | **15,151** |
| **Current assets:** | | | | | |
| Debtors | 5 | 914 | 917 | 683 | 736 |
| Notice deposits (less than 3 months) | 6 | 5,724 | 5,724 | - | - |
| Cash at bank and in hand | 6 | 2,227 | 2,211 | 14,524 | 14,445 |
| **Total current assets** | | **8,865** | **8,852** | **15,208** | **15,180** |
| **Liabilities:** | | | | | |
| **Creditors:** amounts falling due within one year | 7 | (125) | (111) | (1,789) | (1,761) |
| **Net current assets** | | **8,740** | **8,740** | **13,419** | **13,419** |
| **Total net assets** | | **25,391** | **25,391** | **28,570** | **28,570** |
| **The funds** | | | | | |
| Restricted | 8 | 4,652 | 4,652 | 6,653 | 6,653 |
| Unrestricted | 8 | 20,739 | 20,739 | 21,917 | 21,918 |
| **Total funds** | | **25,391** | **25,391** | **28,570** | **28,570** |

The deficit for the financial year dealt within the financial statements of the parent charitable company was $3,179k (2022 – deficit $12,043k)

These financial statements were approved and authorised by the board of directors on 18 July 2024 and were signed on its behalf by:

Signed by:
James Clark
951FB70A3A2F4BE...

**James Clark**
*Chair of the Board of Directors*
*Global Innovation Fund*
*Company Registration Number: 09223487 (England and Wales)*

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## Consolidated Cash Flow Statement

*For the year ended 31 December 2023*

| | *note* | Group 2023 USD ($000) | Group 2022 USD ($000) |
|---|---|---|---|
| Net cash inflow from operating activities | (a) | (4,277) | (5,388) |
| Cash flows from investing activities | (b) | 254 | 141 |
| Cash flows from financing activities | (c) | (2,551) | (2,458) |
| Change in cash and cash equivalents in the reporting period | | **(6,574)** | **(7,704)** |
| Cash and cash equivalents as at 1 Jan | | **14,524** | **22,229** |
| Cash and cash equivalents as at 31 Dec | | **7,950** | **14,524** |

***Cashflow Statement notes:***

**(a) Reconciliation of changes in resources to net cash outflow from operating activities**

| | | |
|---|---|---|
| Net income for the reporting period | (3,179) | (12,043) |
| Impairment of programme related investments | 1,051 | 6,036 |
| Dividends and interest from investments | (266) | (168) |
| Bank charges | 12 | 26 |
| (Increase)/decrease in debtors | (231) | (441) |
| Increase/ (decrease) in creditors | (1,664) | 1,202 |
| **Net Cash provided by operating activities** | **(4,277)** | **(5,388)** |

**(b) Cash flows from investing activities**

| | | |
|---|---|---|
| Portfolio Interest | 226 | 157 |
| Bank and other interest | 40 | 11 |
| Bank charges | (12) | (26) |
| **Net Cash provided by investing activities** | **254** | **141** |

**(c) Cash flow from financing activities**

| | | |
|---|---|---|
| Purchase of programme related investments | (2,551) | (3,528) |
| Exits of programme related investments | - | 1,070 |
| **Net Cash provided by financing activities** | **(2,551)** | **(2,458)** |

*The charity has taken advantage of the exemption available under FRS 102 from the requirement to present a charity-only cash flow statement within the consolidated financial statements.*

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## Notes to the accounts

### 1. Accounting policies

***Company Information:***

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, it's registered address is Wework, 8 Devonshire Square, London EC2M 4PL

***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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

GIF has a 100% owned subsidiary, also called Global Innovation Fund, incorporated in the District of Columbia, United States of America (EIN: 47-4045086). It is a not for profit organisation and therefore has equity of nil, its turnover of $725k (2022: $1,306k) was provided directly from GIF to cover its operating costs. Its address is 1701 Rhode Island Ave NW, 20036, Washington, United States.

GIF has a second 100% owned subsidiary, GIF Growth Limited (company number 12392232) that was incorporated on 8th January 2020. It has not commenced trading as of end of 2023.

No separate SOFA has been prepared for the charity alone, as permitted by Section 408 of the Companies Act 2006. The charity has also taken advantage of the exemptions available under FRS 102 from the requirements to present a charity-only cash flow statement and to present certain disclosures about the charity's financial instruments.

***Going concern***

GIF agreed a renewed multi-year funding cycle with one of its its principle funders. However, an agreement with another principle funder is due to come to end in 2024, though discussions are underway to renew this.

GIF currently has sufficient cash runway available to cover operational expenditure until Q3 2025. Beyond this, it is reliant on the costed extension funding to meet short term operational commitments.

The trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs (including the level of cash reserves that can be used for this purpose), grant commitments, and the expectations of funders for new investments. The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future and as a result the financial statements have been prepared on the basis that the charity is a going concern.

Due to the uncertainty in the funding landscape discussed above, this would represent a material uncertainty that may cast doubt upon the organisation's ability to continue as a going concern.

The trustees continue to monitor this risk closely with a view to assess and mitigate the impact on the organisation and its social impact.

***Basis of consolidation***

The consolidated financial statements include the financial statements of the company Global Innovation Fund and its subsidiary undertakings made up to 31st December 2023. The parent company Global Innovation Fund is based in London and has three subsidiaries - one also named Global Innovation Fund based in Washington D.C, GIF Growth Limited based in London and GIF (Kenya) Limited based in Nairobi. There is also a branch based in Singapore.

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***Accounting estimates and judgements***

In preparing the financial statements, management have made judgements, estimates and assumptions that affect both the amounts recorded as revenues and expenses during the period, and amounts recorded for assets and liabilities as at the balance sheet date. However, the nature of estimation means these estimates could differ from actual outcomes. This is especially prevalent in determining the carrying value of GIF's social investments and any need for impairment. The determination of carrying values for early-stage companies is by nature a volatile and uncertain process. Despite the inherent volatility, the guidelines applied to determine whether an impairment is required are considered to result in the best estimate of whether and the amount of any impairment required.

In 2021 GIF adopted a new valuations and impairments policy with a multi stage flow chart and analysis. We start by looking at recent third-party valuations including recent priced investment rounds. Should the carrying value be equal or higher than our book value then no adjustment to book value is made. In the absence of a third-party valuation, we compare performance to budget. Where there is no material deviation, no adjustment to book value is made. Finally, where there has been a material underperformance on budget, we look at the latest business plan and forecasts in order to make an assessment of any long term value impairment. Where there is no material downside in the long term value, no adjustment to book value is made.

***Measurement convention***

The financial statements are prepared on the historical cost basis except for any social investments for which it is considered that a reliable estimate of market value exists. The related financial instruments are classified at fair value through income and expense. Where an accurate estimate of market value is unavailable the investments are stated at cost with an assessment for impairment taken at the year end.

***Foreign currency***

GIF operates in 7 Currencies: US Dollars, Pounds Sterling, Euros, Swedish Kroner, Australian Dollars, Indian Rupees and Canadian Dollars. Transactions in foreign currencies are recognised in the group's statement of income and expense in US Dollars (the functional currency), at the foreign exchange rate ruling at the date of the transaction.

Exchange rates within the accounting system are updated automatically on a daily basis. For the purpose of the first period end, monetary assets and liabilities denominated in foreign currencies at 31st December 2023 are translated to US Dollars at the closing foreign exchange rate ruling on 31st December 2023. Foreign exchange differences arising on translation are recognised in the statement of income and expense.

The functional currency of the subsidiary is US Dollars and therefore no currency difference occurs on consolidation with the group accounts.

***Basic financial instruments***

Trade and other debtors are recognised initially at transaction price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise cash balances and notice deposits, less than three months. The accounting policy for social investments is set out separately below.

***Income recognition***

All income is accounted for when Global Innovation Fund has entitlement, there is probability of receipt and the amount is measurable. For grant income this is usually when the invoice for payment is raised.

Interest receivable on the notice deposits (less than three months) is recognised in the income and expenditure account as they accrue, using the effective interest method. Realised and unrealised foreign currency gains and losses are reported on a net basis.

***Expenses***

Expenses are recognised on an accruals basis in the period to which they relate.

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All costs are allocated to direct charitable activities or raising funds. Support costs are allocated either as direct costs associated with the investment or indirect costs.

***Pension costs***

GIF operates a defined contribution pension scheme for its employees and contributes 10% of gross salary where the employee contributes at least 1%. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

***Fund Accounting***

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes.

***Operating leases***

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Statement of Financial Activities on a straight-line basis over the period of the lease.

***Social Investments***

Social Investments that are loans, equity or convertible loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Fund is able to obtain a reliable estimate of fair value.

An impairment of charge of $1,051K (2022: $6,036K) was recognised in the accounts in relation to the annual assessment of social investments.

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## Notes *(continued)*

### 2. Income

| | 2023 USD ($000) | 2022 USD ($000) |
|---|---|---|
| **Income** | | |
| Government Grants | 6,403 | 9,929 |
| Private Funding | 55 | (385) |
| | **6,458** | **9,545** |

| | 2023 USD ($000) | 2022 USD ($000) |
|---|---|---|
| **Government income by country** | | |
| Canada | - | 3,889 |
| Sweden | (78) | 2,992 |
| United Kingdom | 6,481 | 3,048 |
| | **6,403** | **9,929** |

| | 2023 USD ($000) | 2022 USD ($000) |
|---|---|---|
| **Investment Income and other Income** | | |
| Income from investments | 226 | 157 |
| Bank interest on current accounts | 40 | 11 |
| Profit on disposal of investment | 293 | - |
| | **559** | **168** |

No government grants that have been recognised in the accounts have any unfulfilled conditions or other contingencies attached and there are no other forms of government assistance from which the charity has benefited.

For 2023, all grant income was unrestricted. All investment income was unrestricted.

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## Notes *(continued)*

### 3. Charitable Activities

| | 2023 USD ($000) | 2022 USD ($000) |
|---|---|---|
| **Grants Payable** | | |
| Balloon Ventures | - | 40 |
| BLAST | 200 | - |
| BRAC | 44 | 100 |
| Breakthrough | 19 | 420 |
| BuildHer | - | 40 |
| Crime Radar | - | 169 |
| DGMT-SmartStart | 142 | 250 |
| Educate! | 62 | - |
| Give Directly | - | 100 |
| Graduation | 1,300 | - |
| ICM | - | 500 |
| Ideas42 | - | 1,208 |
| IDInsight | - | 50 |
| Impact(ed) | 750 | 1,100 |
| IRD Global Ltd | - | 137 |
| J-PAL South Asia | 100 | - |
| Labeled Remittances | - | 40 |
| Lively Minds | 100 | 1,100 |
| No Means No Worldwide | - | 500 |
| PayGo Energy | - | 8 |
| Place | 180 | 100 |
| RWAMREC | 850 | - |
| Strong Minds | - | 358 |
| University of Kent - BLAST | 160 | - |
| WhereIsMy Transport | - | 50 |
| | **3,907** | **6,270** |
| **Impairment of programme related investments** | **1,051** | **6,036** |
| **Staff and other related staff costs** | **3,814** | **4,856** |
| Consultancy & professional | 1,022 | 2,001 |
| Travel & events | 235 | 607 |
| IT costs | 152 | 118 |
| Other support costs | 223 | 474 |
| **Total Support costs** | **1,632** | **3,200** |
| **Foreign Exchange losses** | **0** | **1,398** |
| **Total costs directly associated to charitable activities** | **10,404** | **21,760** |

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All grants above were made to institutions. All grants were signed for and disbursed within the year. For 2023 $2,001k of total expenditure was restricted and $8,404k was unrestricted.

## 4. Programme-related investments

| | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|
| **Debt** | | | | |
| B/F amount | 308 | 308 | 875 | 875 |
| Additions/Interest accrued | 61 | 61 | 77 | 77 |
| Investments paid back | (199) | (199) | (663) | (663) |
| Disposals | (40) | (40) | - | - |
| Impairment charge | (26) | (26) | 18 | 18 |
| C/F amount | 104 | 104 | 308 | 308 |
| | | | | |
| **Convertible debt instruments** | | | | |
| B/F amount | 1,525 | 1,525 | 1,975 | 1,975 |
| Additions/Interest accrued | 865 | 866 | 80 | 80 |
| Disposals | - | - | (407) | (407) |
| Debt converted to equity | - | - | (130) | (130) |
| Impairment charge | (310) | (310) | 7 | 7 |
| C/F amount | 2,081 | 2,081 | 1,525 | 1,525 |
| | | | | |
| **Equity** | | | | |
| B/F amount | 13,318 | 13,318 | 15,879 | 15,879 |
| Additions | 1,993 | 1,993 | 3,371 | 3,371 |
| Disposals | (130) | (130) | - | - |
| Debt converted to equity | - | - | 130 | 130 |
| Impairment charge | (715) | (715) | (6,061) | (6,061) |
| C/F amount | 14,466 | 14,466 | 13,318 | 13,318 |
| | | | | |
| **Total programme-related investments** | **16,651** | **16,651** | **15,151** | **15,151** |

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## Notes *(continued)*

### 5. Debtors

| | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|
| **Debtors** | | | | |
| **Trade receivables** | | | | |
| Deposits | 42 | 42 | 53 | 53 |
| Prepayments and accrued income | 844 | 847 | 615 | 668 |
| Other debtors | 28 | 28 | 15 | 15 |
| | **914** | **917** | **683** | **736** |

### 6. Cash at bank and in hand

| | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|
| **Cash at bank and in hand** | | | | |
| Cash in hand | 2,227 | 2,211 | 14,524 | 14,445 |
| Notice deposits (less than 3 months) | 5,724 | 5,724 | - | - |
| | **7,951** | **7,935** | **14,524** | **14,445** |

### 7. Creditors

| | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|
| **Creditors: amounts falling due within one year** | | | | |
| Trade creditors & accruals | 124 | 111 | 1,789 | 1,761 |
| Other creditors | (0) | (0) | - | - |
| | **124** | **111** | **1,789** | **1,761** |

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## Notes *(continued)*

### 8. Funds

The restricted funds are received under an agreement with GAC (Canada), FCDO (Climate), SAS-P and Dioraphte. GAC have stipulated their funds are to be invested in initiatives that have a gender focus.

| | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|
| **Restricted funds** | | | | |
| Balance brought forward | 6,653 | 6,653 | 3,471 | 3,471 |
| Grant & Other Income | - | - | 5,560 | 5,560 |
| Grants & Other Expenditure | (1,493) | (1,493) | (3,450) | (3,450) |
| Increase/(Decrease) in Investments | (508) | (508) | 1,071 | 1,071 |
| Balance carried forward | **4,652** | **4,652** | **6,653** | **6,653** |

| | Group 2023 USD ($000) | Charity 2023 USD ($000) | Group 2022 USD ($000) | Charity 2022 USD ($000) |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| Balance brought forward 1st January | 21,918 | 21,918 | 37,142 | 37,142 |
| Grant & Other Income | 7,225 | 7,225 | 4,156 | 4,156 |
| Grants & Other Expenditure | (7,353) | (7,353) | (13,345) | (13,345) |
| Increase/(Decrease) in Investments | (1,051) | (1,051) | (6,036) | (6,036) |
| Balance carried forward 31st December | **20,739** | **20,739** | **21,918** | **21,918** |
| Total Funds | **25,391** | **25,391** | **28,570** | **28,570** |

| | Group 2023 USD ($000) | Group 2023 USD ($000) | Group 2022 USD ($000) | Group 2022 USD ($000) |
|---|---|---|---|---|
| **Fund Balances as at 31st December (Group)** | **Unrestricted** | **Restricted** | **Unrestricted** | **Restricted** |
| Investments | 15,388 | 1,263 | 13,380 | 1,771 |
| Current Assets | 5,475 | 3,389 | 10,326 | 4,882 |
| Current Liabilities | (125) | - | (1,789) | - |
| Total Funds | **20,739** | **4,652** | **21,917** | **6,653** |
| | | **25,391** | | **28,570** |

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## Notes *(continued)*

### 9. Auditor's remuneration

| | Group 2023 USD ($000) | Group 2022 USD ($000) |
|---|---|---|
| **Included in the statement of financial activities are;** | | |
| Statutory audit fees | 63 | 60 |
| Tax advisory fees | 1 | 2 |
| | **64** | **62** |

### 10. Staff numbers and costs

| | Group 2023 | Group 2022 |
|---|---|---|
| **Category** | | |
| Investment | 10 | 11 |
| Analytics | 5 | 5 |
| Legal | 6 | 6 |
| Administration | 8 | 11 |
| | **29** | **33** |

| *The aggregate payroll costs of these persons were as follows:* | ***USD ($000)*** | ***USD ($000)*** |
|---|---|---|
| Wages and salaries | 2,738 | 3,693 |
| Social security costs | 307 | 385 |
| Contributions to defined contribution pension plans | 583 | 503 |
| Other employee benefits | 175 | 263 |
| Other Staff costs | 11 | 20 |
| | **3,814** | **4,864** |

**Staff banding**

*The number of employees whose total compensation package (excluding pension) exceeded $81k are as follows:*

| | Group 2023 USD ($000) | Group 2022 USD ($000) |
|---|---|---|
| USD | | |
| 81,000 - 93,999 | 3 | 4 |
| 94,000 - 107,999 | 2 | 6 |
| 108,000 - 120,999 | 4 | 4 |
| 121,000 - 134,999 | 2 | 2 |
| 135,000 - 148,999 | 0 | 3 |
| 149,000 - 161,999 | 2 | 1 |

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| | | |
|---|---|---|
| 162,000 - 174,999 | 1 | 1 |
| 175,000 - 188,999 | 1 | 2 |
| 189,000 - 202,999 | 0 | 0 |
| 203,000 - 215,999 | 0 | 0 |
| 216,000 - 228,999 | 0 | 0 |
| 229,000 - 241,999 | 0 | 0 |
| 242,000 - 254,999 | 0 | 1 |
| 255,000 -267,999 | 0 | 0 |
| 268,000- 280,999 | 1 | 0 |
| | **16** | **24** |

**Remuneration of Key Management Personnel**

The total compensation package for key management personnel totalled $1,334k (2022: $1,743k). The trustees received no remuneration for their services to the company.

The above bandings factor in termination payments made in year.

**Termination payments**

Termination payments made during the year were $15,384 (2022: $291,165) as part of an organisational restructure. These have been included within "Wages and salaries" within the aggregate payroll costs table in note 10.

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## Notes *(continued)*

### 11. Financial Instruments

The carrying amounts of the financial assets and liabilities include

| | Group 2023 USD ($000) | Group 2022 USD ($000) |
|---|---|---|
| **Financial Instruments** | | |
| Financial Assets - amortised cost | 24,672 | 29,742 |
| Financial Assets - fair value | - | - |
| Financial Liabilities - amortised cost | 125 | 1,789 |
| | | |
| **Financial Assets** | | |
| Cash | 7,951 | 14,524 |
| Debtors | 70 | 67 |
| Social investments | 16,651 | 15,151 |
| | **24,672** | **29,742** |
| | | |
| **Financial Liabilities** | | |
| Trade creditors & accruals | 125 | 1,789 |
| Other creditors | (0) | - |
| | **125** | **1,789** |

As quoted prices are unavailable, investments are recognised at cost less impairment. An assessment of the investments was made at the year end by the senior management and an impairment charge of $1,051k (2022: $6,036k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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## Notes *(continued)*

### 12. Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

| | Group 2023 USD ($000) | Group 2022 USD ($000) |
|---|---|---|
| **Operating Leases** | | |
| not later than one year | 100 | 77 |
| later than one year and not later than five years | - | - |
| later than five years | - | - |
| **Total annual commitments** | **100** | **77** |

Within the financial statements are lease payments totalling $157k (2022: $351k)

### 13. Funding Commitments

| | 2023 Grant Commitments USD ($000) | 2023 Risk Capital Commitments USD ($000) | 2023 Total USD ($000) |
|---|---|---|---|
| 2024 | 3,617 | 230 | 3,847 |
| 2025 | 919 | - | 919 |
| 2026 onwards | 345 | - | 345 |
| | - | - | |
| **Total annual commitments** | **4,881** | **230** | **5,111** |

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## Notes *(continued)*

### 14. Trading activities of subsidiary

Global Innovation Fund, a non-profit subsidiary, is registered in the US (FEIN 47-4045086), located in Washington DC had the following results to 31/12/2023.

Global Innovation Fund is the sole member of the US entity and has certain governance rights under its articles and by laws, including, but not limited to, appointing board members.

The US entity carries out administrative activities such as employing US based staff and leasing premises to further the objectives of the parent entity.

| | 2023<br>USD<br>($000) | 2022<br>USD<br>($000) |
|---|---|---|
| **Income & Expenditure** | | ***(restated)*** |
| Total support received & revenue | 800 | 1,376 |
| Total expenses | (800) | (1,376) |
| | | |
| **Balance Sheet** | | |
| Assets | 105 | 132 |
| Liabilities | (105) | (132) |
| | - | - |

The 2022 balance sheet has been restated to reflect corresponding assets and liabilities for deferred pension plans, in accordance with 457(b) and 457(f) held at year end for the benefit of the CEO.

### 15. Defined contribution scheme

The group operates a defined contribution pension scheme. The total expense relating to this scheme amounted to $583k (2022: $503k) during the period which has been charged to the Statement of Financial Activities. The contributions were paid using unrestricted funds.

### 16. Related party disclosure

*Trustees*
None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

*Trustees expenses*
No Trustees claimed expenses or had their expenses met by the charity in 2023. In 2022 the total was $100,206 and related to flights, accommodation, and subsistence for board meetings. All board meetings in 2023 were held in the UK and therefore no travel was required.

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*Subsidiary*
GIF gave $550k (2022: $900k) to its subsidiary located in Washington DC to fund its administration expenses and $126k (2022: $318k) of expenses were paid by GIF on behalf of the US. At the year end, the subsidiary owed GIF $nil (2022:nil).

**GLOBAL INNOVATION FUND**

England & Wales - Charity number 1171353

# Accounts

DocuSign Envelope ID: 409C9156-0B7E-4496-B4FF-F6DF61187B3E






# Report and Audited Financial Statements for the year ending 31st December 2022

DocuSign Envelope ID: 409C9156-0B7E-4496-B4FF-F6DF61187B3E



# TRANSFORMING IDEAS INTO IMPACT

**The Global Innovation Fund finds and funds innovations with the potential to transform the lives of people living on less than $5 a day. We are a non-profit multilateral investment vehicle which places rigorous evidence and impact measurement at the core of our investment decision-making process. We back entrepreneurs and innovators with exciting ideas for change and support them on their pathway to impact at scale.**

GIF. defines innovation broadly. Through grants, loans and equity investments, GIF's portfolio has the potential for outsized social impact, whether through new technologies, business models, policy practices or behavioural insights. Funding climate adaptation and resilience initiatives has become a central focus of our work – and we are committed to continuing to address the challenges posed to women and girls. We support innovators at all stages of their life cycle, from start-up and pilot-testing through to larger scale implementation.

**GIF'S PATIENT CAPITAL, FLEXIBLE TERMS AND VENTURE SUPPORT ENABLE INNOVATIONS TO BECOME MORE ATTRACTIVE TO COMMERCIAL INVESTORS**

GIF's patient capital, flexible terms, and venture support enable innovations to become more attractive to commercial investors. The gap we seek to fill is that space before an innovator is ready to seek big money – when risk is high, and the promise of social value is at least as enticing as the potential for financial returns. We seek solutions that can scale up commercially, through the public sector, or through a combination of both, to achieve widespread adoption. We look for new solutions to persistent market failures, in pursuit of social return.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere, and maintain an open application process which is accessible via our website. If you are an innovator with a focus on solving hard development challenges in poorer countries, with a commitment to the rigorous generation of evidence and generating impact at scale, we want to hear from you.

**WE BELIEVE THAT THE BEST IDEAS FOR SOLVING SOME OF THE WORLD'S MOST CRITICAL PROBLEMS CAN COME FROM ANYONE, ANYWHERE**

At the heart of GIF's work are our smart, industrious and dedicated investees. It is their vision which helps us advance our mission of a world in which people everywhere are living in inclusive, sustainable, and dynamic economies and societies. We thank you for all you do and all you have delivered in 2022.

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In a year when governments needed to do more with less, GIF. has shown the transformative power of taking smart risks in international development. We have combined creative investment models with rigorous evidence gathering, demonstrating the value for money and long-term impact that backing social innovation delivers.

## PARTNERING WITH LOCAL INNOVATORS

In 2022, we opened a new Singapore office to grow and service our investment portfolio in the Indo-Pacific. We intend to play a bigger role in driving innovation at scale for underserved populations in the region, and to continue our strategic partnerships with local innovators, investors and governments.

This year, GIF invested to address challenges ranging from child marriage to building resilience in supply chains and improving girls' agency and wellbeing. We announced the first innovations to receive investment from our Innovating for Climate Resilience Fund, addressing the urgent need for scalable and innovative solutions that can strengthen the resilience of the most vulnerable communities to the impacts of climate change.

Innovations in our portfolio are expected to benefit 143m people by 2032. Five of our earliest investments have already created $1.68bn of net social value, of which $582m is attributable to GIF.

**OUR NEW INVESTMENTS ADDRESS CHALLENGES RANGING FROM CHILD MARRIAGE TO BUILDING RESILIENCE IN SUPPLY CHAINS AND IMPROVING GIRLS' AGENCY AND WELL-BEING.**

Our evidence base shows that there is a robust case for deploying development assistance to fund innovation. We project every dollar that GIF has invested to date will be three times as impactful as if that dollar had been spent on long-lasting, insecticide-treated bed nets.

We were delighted to receive a renewed commitment from Global Affairs Canada to strengthen our work enhancing the agency of women and girls and our Innovating for Gender Equality Fund. We were also thrilled that SIDA, Sweden's government agency for development cooperation, reaffirmed our partnership, helping us invest in more innovations across the developing world, including those focused on climate adaptation and resilience.

## ALIGNING WITH OUR DONORS

These partnerships are compelling examples of how GIF's approach aligns with the strategic priorities of our funders – a point reaffirmed when the UK government, our anchor funder, published its international development strategy in May.

GIF is prepared to accept concessional financial returns to fund innovation that has the potential for outsized social return. Our creative approach to financing addresses the large, unmet demand for blended, risk-taking capital in fragile places. It also makes our portfolio more investible. Our investments have attracted $7.50 in capital for every dollar GIF has invested. This includes the vital private sector capital required to deliver against the SDGs.

GIF works with forward-thinking government development agencies, as well as corporate and philanthropic funders. I would like to take this opportunity to thank them for their continued guidance and commitment to scale innovation.

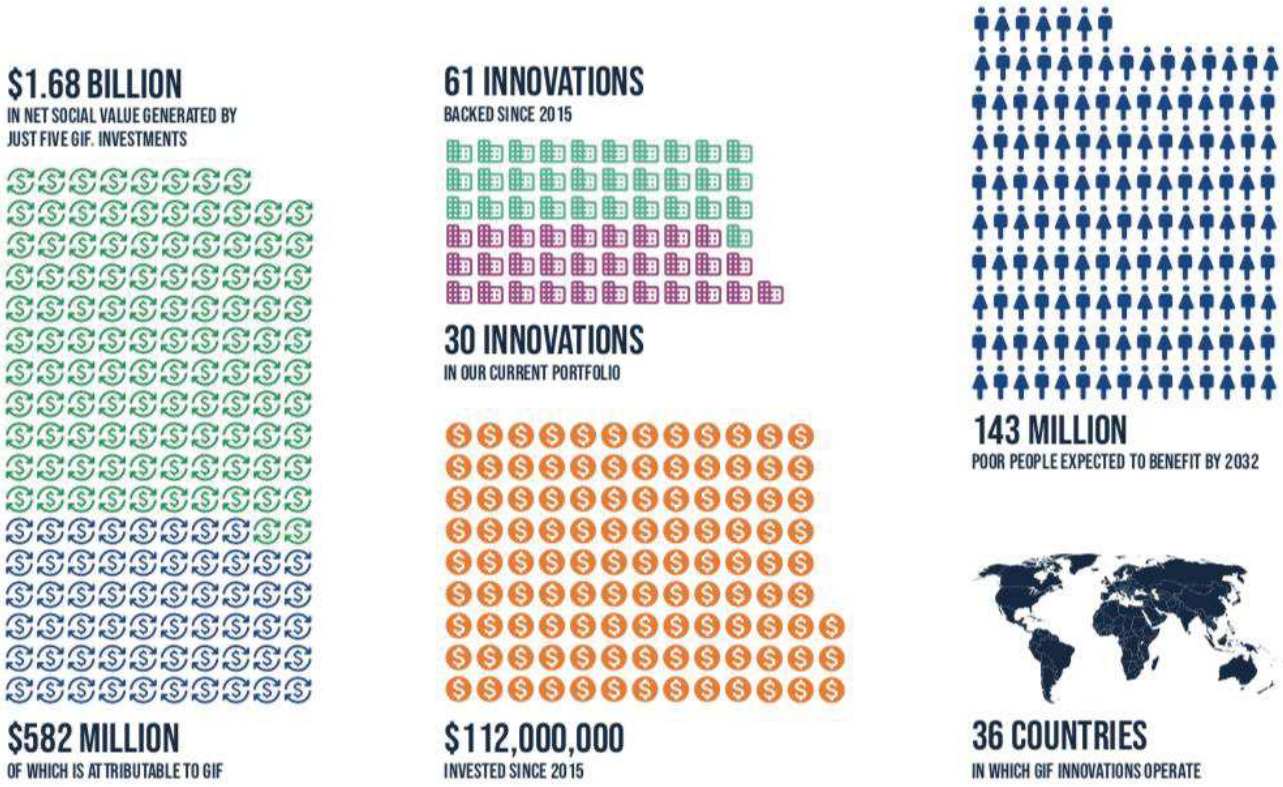


**Alix Peterson Zwane PhD**
**Chief Executive Officer**

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# INVESTING IN INNOVATION



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INTRODUCING GIF

# OUR GLOBAL PRESENCE

## INVESTMENT SUMMARY

TOTAL CUMULATIVE $112,000,000



### INVESTMENT BY REGION*

| | |
|---|---|
| EAST AFRICA | $30.1M |
| WEST AFRICA | $25.9M |
| SOUTH ASIA | $30.1M |
| EAST ASIA AND PACIFIC | $12.1M |
| OTHER | $13.0M |



### NUMBER OF INNOVATIONS BY REGION*

| | |
|---|---|
| EAST AFRICA | 17 |
| WEST AFRICA | 12 |
| SOUTH ASIA | 16 |
| SOUTH ASIA AND PACIFIC | 5 |
| OTHER | 11 |



### INVESTMENT BY SECTOR

| | |
|---|---|
| PUBLIC HEALTH, NUTRITION & WATER | $20.2M |
| SOCIAL PROTECTION | $20.9M |
| AGRICULTURE | $32.6M |
| ENERGY | $4.0M |
| EDUCATION | $13.1M |
| OTHER | $20.8M |

## OUR OFFICES






### NUMBER OF INNOVATIONS BY SECTOR

| | |
|---|---|
| PUBLIC HEALTH, NUTRITION & WATER | 19 |
| SOCIAL PROTECTION | 9 |
| AGRICULTURE | 7 |
| ENERGY | 4 |
| EDUCATION | 6 |
| OTHER | 16 |

* Other sectors include energy, financial services, government effectiveness and transport. East Asia and Pacific, and South Asia classified according to World Bank analytical grouping, East Africa and West Africa classified by the Africa Development Bank groupings. Other regions include Northern Africa, South Africa and Central America.

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## Trustees, Officers and Advisers

### Trustees

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

- Darren Welch (resigned 29th August 2022)
- Jane Siebels (resigned 20th February 2023)
- Santhosh Mathew
- James Clark (appointed as Chair of the Board effective 31st January 2021)
- James Habyarimana
- Kathryn Kaufman
- Amanda Glassman
- Jeremy Weinstein (appointed 31st January 2022)
- Sarah Pearson (re-appointed 17th March 2022, resigned 24th January 2023)
- Caroline Read (appointed 29th August 2022)

### Key management personnel

| | |
|---|---|
| • Chief Executive Officer | Alix Peterson Zwane |
| • Chief of Staff | Gareth Spillane (resigned 31st September 2022) |
| • Chief of Staff and Director of Policy | Zach Johnstone (appointed 1st October 2022, resigned 5th May 2023) |
| • General Counsel and Chief Risk Officer | Rumu Sarkar (appointed 31st May 2022, left 15th September 2022) |
| • Chief Finance Officer | Shane Leonard (resigned 31st March 2023) |
| • Chief Investment Officer | Avinash Mishra (appointed 1st April 2023) |
| • Senior Vice President, Impact | Joseph Ssentongo (appointed 1st January 2022, left 31st March 2023) |
| • Chief Operating Officer | Joseph Ssentongo (appointed 1st April 2023) |
| • General Counsel | Cillian Moynihan (appointed 1st April 2023) |
| • Senior Vice President, Impact | Rachna Nag Chowdhuri (appointed 1st April 2023) |

### Professional advisors

| | | |
|---|---|---|
| Auditors | Crowe U.K. LLP | 55 Ludgate Hill, London EC4M 7JW |
| Bankers | Barclays Bank Plc | 1 Churchill Place, London E14 5HP |
| Solicitors | Bates Wells Braithwaite LLP | 10 Queen Street Place, London, EC4R 1BE |

### Address of principal office

Global Innovation Fund's principal and registered office has the same address;

8 Devonshire Square

London

EC2M 4PL

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## Trustees' Report

The Trustees present their report, the directors' report, and consolidated financial statements for the year ended 31st December 2022.

Under the Charities Act 2011 and the Companies Act 2006 the Directors' Report and Strategic Report are included within the Trustees Report.

**Business review and future developments**

This has been discussed in the Strategic Report section.

The Board has delegated responsibility for GIF's investment selection (i.e., the selection of innovative investments to further GIF's mission) to the CEO and staff team, as outlined in GIF's, Byelaws and scheme of delegated authorities.

**Directors Report**

**Appointment of Trustees**

GIF's Articles of Association and Byelaws set out guidance on the composition of the Board of Trustees who are the Directors as defined under the Companies Act. The Board is entirely non-executive and comprises a majority of Trustees that are independent of any GIF funder ("A" Trustees). "A" Trustees are recruited from the following fields: private sector, civil society, the public sector and academia. They are formally appointed by the Board following approval by the Members. "A" Trustees serve for three-year terms with possible reappointment.

The Board also includes seats for Trustees that are elected by GIF's funders ("B" Trustees). "B" Trustees are elected at the start of each three year funding cycle of the charity.

The Trustees meet formally each quarter.

The Trustees have delegated day-to-day management of GIF to its Chief Executive Officer and her senior management team. The Board has also delegated authority to the Audit & Finance Committee and the Human Resources Committee, and has constituted an advisory Development Committee. Each of these committees reports back to the Board quarterly and makes recommendations to the Board for approval as necessary.

The Trustees review and approve as applicable on an annual basis:

- the annual budget and operating plan for the charity;
- the charity's financial results and variances from budget;
- the charity's key performance indicators;
- the charity's investment and grant portfolio and any major risks associated with the projects.

The Trustees also regularly review the charity's risk register. The Audit & Finance Committee of the Board receives quarterly updates from senior management on risks and ensures that appropriate controls are in place to mitigate those risks.

**Induction and training of new Trustees**

Each new GIF Trustee is briefed on the role of a Trustee and a Director under Charities Law and the Companies Act. They are provided with copies of relevant Charity Commission guidance and the charity's organisational documents. The Trustees also receive training on Trustee and Director duties and responsibilities, anti-bribery and corruption and conflicts of interest.

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**Pay and remuneration**

The Human Resources Committee (appointed by the Board) is responsible for setting strategies relating to human resource needs for the charity and oversees the charity's compensation philosophy. The HRC makes a recommendation to the Board regarding the CEO's annual compensation. The CEO is responsible for setting the terms of remuneration for senior management.

Every year all staff go through an annual review looking at their performance against their objectives set at the start of the year. Pay increases are then dependable on the performance rating of each staff member.

**Related Party**

None of the Trustees receive remuneration or other benefit from their work with the charity, although expenses are paid. Any connection of a Trustee with a request for financial assistance under discussion will be disclosed at a Board of Trustees meeting in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Details of Trustee expenses are disclosed in Note 16 to the accounts.

**Auditor**

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

## Strategic Report

This strategic report for the GIF's sixth full financial year covers the full financial period from 1st January 2022 to 31st December 2022, and includes information in the 'year in review' and 'measuring impact' sections of these accounts.

GIF was incorporated on 17th September 2014 as a company limited by guarantee. GIF has a 100% owned subsidiary, also called the Global Innovation Fund, incorporated in the District of Columbia, United States of America, on 9th April 2015. This subsidiary began operations on 13th April 2015.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Statement of public benefit**

GIF was granted charity status with the Charity Commission for England and Wales on 27th January 2017 with the charity number 1171353. The Articles of Association were adopted on 28th November 2016.

GIF is a non-profit organisation whose activities are intended to be for the public benefit. In both setting out the objectives and planning future activities, the Trustees have had due regard to the Charity Commission's guidance on public benefit.

Over this reporting period, and in line with the goals, GIF has approved investments in a broad range of innovations across the developing world, covering the three themes of making public services work for the poor, creating productive jobs and easing market frictions and enhancing agency for women and girls.

**Aims and purpose of the Charity**

GIF's mission is:

- To support innovations that could scale up to benefit millions of people now living on less than $5/day; and
- To improve the overall impact of development expenditure - public and private, international and domestic - by demonstrating the effectiveness of outcome-oriented, evidence-based investment.

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GIF aims to support the global public good of generating innovations that will collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries. To accomplish this, GIF seeks to accelerate the development, rigorous testing and scaling of cost-effective innovations, in particular by:

- providing an open global innovation platform to support piloting and testing new innovations for the world's poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;
- providing grants and making risk capital investments to support the transition to scale of:
    - innovations designed to scale commercially that have passed a market test, and;
    - innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and
- generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

**Investment Policy**

GIF supports innovations that benefit people living on less than the equivalent of US$5 per day in developing countries, and is especially interested in innovations that impact people living on less than US$2 per day.

GIF defines "innovation" as any solution that has potential to improve the lives of the poor in developing countries more effectively than existing approaches. This includes new products or services, policy practices, business models, operational or production processes, behavioural insights, or ways of delivering products and services that benefit the poor, across all relevant sectors. These innovations could come from social enterprises, for-profit firms, non-profit organisations, researchers, academics, government agencies or any other relevant institution or individual.

GIF seeks to fill market gaps, and is especially interested in supporting promising innovations that may otherwise struggle to find appropriate forms of funding for objectives that align with those of GIF, e.g. piloting development innovations, gathering rigorous evidence of impact or achieving greater scale.

**Grants**

GIF works with a wide range of institutions to fund specific research projects. Payment of grants is conditional upon the performance of key tasks. Where such tasks remain incomplete, payment is withheld. GIF operates an annual review process whereby grants are reviewed to ensure progress is being made and the programme complies with expectations before continuing payment is confirmed. As a result, the first payment of each grant is made up front, with further payments contingent on the above policy.

**Reserves Policy**

The approved reserves policy intends to ensure GIF is in a position where it holds sufficient working capital to fulfil short-term contractual and constructive investment commitments, as well as sufficient funds to cover medium term operational expenditure. The Reserves Policy is approved by the board in line with the requirements of GIF's donor governments. The charity aims to have free reserves of $5m to stay in line with the approved policy taking into account the variable investment commitments it makes in the year.

**Investment Commitments**

GIF intends to hold sufficient funds to fulfil any disbursements relating to contractual and constructive obligations falling due in the preceding twelve months. Current levels of investment commitments are shown in note 13 to the accounts.

**Operational Expenses**
Operational expenses are those incurred through the course of running GIF's offices, employing staff and making investments. The medium-term value of reserves will relate to twelve months' costs as per the most recent operational budget or forecast.

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**Working Capital**

GIF aims to hold a minimum level of working capital of $5 million, in order to accommodate any investment activity beyond the time horizons indicated and any unforeseen costs.

| | |
|---|---|
| Total Funds at 31st December 2022: | $28.6m |
| Less: | |
| Restricted Funds | ($6.7m) |
| Investments (from unrestricted funds) | ($13.4m) |
| Funding Commitments | ($5.4m) |
| Free Reserves Balance | $3.1m |

Free reserves are lower than that stipulated within the approved policy, though are expected to increase following a successful renegotiation of a new funding cycle with GIF's principle funders. These renegotiations are currently on-going..

**Financial Review**

GIF's income from its funders increased from $8,063k in 2021 to $9,545k in 2022. This consisted of receipts from two existing Government donors in addition to receipts from existing private donors. Investment income decreased from $394k to $258k.

During the year $3.4m of new risk capital investments (Debt, Equity or Convertible Debt) were made. At the end of the year an in-depth review of our investments was undertaken. It was decided that writedowns, totalling $6,036 (2021: $7,696k) were necessary due to uncertainties around various aspects of the financial position and performance of investees including their ability to continue as a going concern. The impairment losses are included within Charitable activities in the Statement of Financial Activities.

Total funds as at the end of the year was $28,570k (2021: $40,613k) of which $6,653k (2021: $3,471k (*restated*)) was restricted.

**Going Concern**

GIF is currently in the process of agreeing a renewed funding cycle with its principle funders. This funding is contingent upon the satisfactory outcome of an independent evaluation which was underway as at the time of signing of these financial statements.

GIF currently has sufficient cash runway available to cover operational expenditure until Q2 2024. Beyond this, it is reliant on the costed extension funding to meet short term operational commitments.

The trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs (including the level of cash reserves that can be used for this purpose), grant commitments, and the expectations of funders for new investments. The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future. As the assessment period is at least twelve months from the date of approval of these financial statements, it is therefore appropriate to prepare these financial statements on the going concern basis.

However, there is a plausible but not remote scenario wherein the funding, as discussed above, does not materialise which would represent a material uncertainty that may cast doubt upon the company's ability to continue as a going concern.

The trustees continue to monitor this risk closely with a view to assess and mitigate the impact on the organisation and its social impact.

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**Review of the group's operations**

Our goal at GIF is to find, fund, and scale-up cost-effective, evidence-based innovations that have the potential to measurably improve the lives of millions of people in the developing world.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere. Through our grants and risk capital, we help breakthrough solutions to global development challenges from social enterprises, for-profit firms, non-profit organisations, researchers, and government agencies to maximise their impact and affect meaningful change.

We support innovators at all stages of development, from start-up and pilot-testing through to larger scale implementation - the innovations we fund can be located in any developing country and can focus on any sector relevant to international development, provided they are committed to improving the lives of those living on less than $5 a day.

When thinking about where to invest, we look for promising entrepreneurs and seek to become their early partners as they test, adapt and improve their business model, before they are big enough to work with development finance institutions. We can also support experimentation and evidence gathering in domestic resource mobilisation, such as in increasing tax compliance in developing countries or supporting remittance flows.

- During this period geopolitical and economic uncertainty continued to negatively impact the funding environment, slowing decision-making in donor agencies and reducing overall aid budgets. Nonetheless we have continued our engagement with both existing and potential new funders who align with GIF's impact first, evidence-based investment approach. These conversations will continue in 2023 as GIF seeks to mobilise additional capital in pursuit of social returns.

On this backdrop, over the past year we have achieved the following results:

- **We invested in evidence-based impact:** GIF closed four new transactions through GIF Core, addressing development challenges ranging from child marriage to building resilience in supply chains and improving girls' agency and and wellbeing. GIF also made two new transactions with existing investments in Sparkmeter and Paga. GIF has recaptured $6min capital through exits ($0.87m in 2022 alone).
- We continued to demonstrate that investing in innovation pays: The total net social benefits already achieved by just five mature and scaled up innovations over 7 years of GIF investing is $1.68 billion. Out of this, $582m net social benefits can be directly attributed to GIF. When this is compared to the $98 million that GIF spent on all of its early portfolio (both operating and investments), it yields a benefit-cost ratio of at least 5, equivalent to generating a 200% social rate of return.[1] Furthermore, based on Practical Impact (our long-term forecasting methodology),GIF expects its portfolio of evidence-based grants and risk capital investments to benefit 143 million people annually by 2032 .
- **We committed to improving its organisational transparency:** This included the publication of completion assessment reports covering the achievements of, and lessons learned from GIF Core's former portfolio innovations, and impact briefs analysing the impact that innovations currently funded by GIF have achieved to date. The organisation strives to be an exemplar in PublishWhatYouFund's DFI Transparency Initiative and 100% of innovations have data published on the International Aid Transparency Initiative (IATI).
- **We strengthened our position as a thought-leader on gender-inclusive investment::** GIF made two grants under the second phase of its Innovating for Gender Equality Fund (a sub-fund of GIF Core); one which aims to reduce early female marriage through a community-based youth leadership, legal training, and paralegal model; and one which aims to improve adolescent girls' life skills and increase their agency. In total, up to December 2022, GIF has invested in seven gender transformative grants through the Innovating for Gender Equality Fund. In 2021, GIF commissioned an independent evaluation of the gender fund, which strongly endorsed the progress

[1] https://www.globalinnovation.fund/assets/uploads/PDF-Documents/GIF-Social-Rate-of-Return.pdf

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GIF made during its first phase of partnership. This in-turn led to a financial recommitment from GAC of an additional CAD$5 million for the second phase of the partnership for 2022-2023.

- **We developed our approach to climate adaptation and resilience:** GIF announced the first innovations to receive investment from our Innovating for Climate Resilience Fund: Agritask, a decision-support platform for agricultural operations; and PLACE, a non-profit hyperlocal mapping organisation. The Innovating for Climate Resilience Fund invests, through both grants and risk capital, in early-stage innovations that aim to support people living on less than $5 per day to build resilience to the ongoing and unavoidable changes in climate. It was launched at COP26 with seed funding from FCDO, with SIDA committing additional funds in December 2022. As with its gender sub-fund, the Innovating for Climate Resilience Fund is an example of GIF's ability to apply its innovative model and commitment to pursuing social impact to specific development challenges.
- **Sharing of knowledge of what works in development:**: In line with its commitment to influence the field of development impact, GIF saw the adoption of its Practical Impact methodology in 2022 by CGIAR, a global partnership of international organisations engaged in food security research. GIF's Practical Impact was also adopted by IDinsight for their internal organisational impact forecast and performance tracking that they released in 2022. GIF worked with academics and researchers within the international development community to help inform investment decisions: GIF has forged 36 partnerships, including six with universities; had 16 peer-reviewed journals published, influencing thinking; and has supported nine RCTs, driving future investment decisions.
- **We opened a new Singapore office:** We launched GIF's Singapore office to grow and service our investment portfolio in the Indo-Pacific region. We intend to play a bigger role in driving innovation at scale for underserved populations in the region, and to continue our strategic partnerships with local innovators, investors and governments.
- **We partnered with the Coalition for Global Prosperity (CGP) to introduce UK parliamentarians to its investments:** when a cross-party group travelled to the Za'atari refugee camp in Jordan in October, GIF and CGP organised a meeting with GIF grantee, Talent Beyond Boundaries (TBB), an organisation seeking to demonstrate that the hidden refugee talent pool offers a resource employers can use to fill global skill gaps. Similarly, CGP and GIF coordinated a meeting with GIF grantee, Lively Minds, when a further parliamentary delegation visited Ghana in December. These visits are a great opportunity to showcase to MPs how multilateral funding from the UK and other donors is supporting innovations to scale in developing countries. GIF received positive feedback from the MPs, and additional site visits with CGP are being planned for 2023.

**Principal risks facing the group**

The table below outlines key organisational risks faced by GIF in achieving its mission, and what we're doing to mitigate those risks.

| Risk | Explanation/example | Management and mitigation |
|---|---|---|
| Funding Risk | Economic and policy factors or internal delays in key funding countries, and difficulties attracting new donors, results in a negative financial impact on GIF. GIF is currently in the process of agreeing a renewed funding cycle with its principle funders (see | -Continuing to make the policy case for the GIF model including its gender and climate work;<br><br>-Increase in fundraising activity with pursuit of new government and corporate partners leveraging existing donor support where possible |

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| | | |
|---|---|---|
| | above and under going concern in the accounting policies). | -Diversifying sources of capital with GIF Growth. |
| Impact risk | Investing in fragile markets increases the risk of backing innovations that fail or are not suited to the GIF portfolio, as well as expected early-stage failure risk. | Rigorous due diligence and investment process, active portfolio management, and understanding the market context in which portfolio organisations operate. |
| Valuation & Impairment risk | The nature of GIF' risk capital investments, means the risk of impairment of investments made is high | Rigorous due diligence and monitoring of investments.<br>Increased impairment is expected given the maturing portfolio and the current environment within private capital.<br>Social impact remains the key metric against which investment success in measured. |

These risks have, so far, proved manageable. A fully-encompassing corporate risk register is updated and reviewed by the Audit and Finance Committee and the wider Board of Trustees.

**Goals & Key Objectives**

1. **One Mission: Multiple Vehicles:** GIF "Core" and GIF Growth: We have recognised that GIF's unique model can support not only the deployment of Official Development Assistance, but can also create unique impact for pools of returnable capital that are being invested in more traditional impact investors.

2. **One Mission: One Deal Team:** The power of the GIF team is that we bring together rigorous economic analysis grounded in evidence, a deep understanding of the context in which our innovations can scale, financial acumen, a venture mind-set, and an ability to take smart risks. We have learned that the key to unlocking the power of this combination is to structure ourselves in a way that draws on the resources from across the GIF team and breaks down organisational silos.

3. **Enhancing the Agency of Women and Girls:** With its gender sub-fund, GIF will continue to apply, and improve on, the gender lens that it brings to all its investments, mainstreaming gender analytics into deal selection, diligence, and venture support. We will continue to partner with world-leading gender experts to grow our expertise and build a portfolio that prioritises gender equality outcomes.

4. **Investing in Innovation Focused on Climate Adaptation and Resilience:** Having launched the 'Innovating for Climate Resilience Fund' at COP26, with seed funding from the UK Foreign, Commonwealth and Development Office, we secured additional funding commitment from the Swedish International Development Cooperation Agency. GIF has made its first investments in its climate sub-fund, harnessing its innovative model to invest in scalable early stage solutions to help people adapt and build resilience to climate change..

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5. **GIF will invest where the world's poor live and in innovations that matter to them:** We will strategically complement our commitment to open innovation by deepening our expertise in markets where we have traction and where our capital can catalyse additional investment.

## Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Global Innovation Fund for the purposes of Company Law) 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 Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees 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 charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- each trustee has taken all the steps that they should have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are 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.

This report has been prepared taking advantage of the provisions of the Companies Act 2006 available for small companies.

*The Trustee's Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report continued therein, and is signed as authorised on its behalf by;*

8 Devonshire Square, London, EC2M 4PL

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DocuSigned by:
James Clark
951FB70A3A2F4BE...

**James Clark**

*Chair of the Board of Directors*

*Global Innovation Fund*

Date: 12 December 2023

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## Independent Auditor's Report to the Members of Global Innovation Fund

### Opinion

We have audited the financial statements of Global Innovation Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise The Consolidated Statement of Financial Activities, The Consolidated and Charity Balance sheets, The Consolidated Cash Flow Statement 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 Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 December 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 group 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

We draw attention to Note 1 to the financial statements under the heading 'Going concern' which indicates that the charitable company is currently in the process of agreeing a renewed funding cycle with its main funder. Note 1 'Going concern' states that there is a plausible but not remote scenario wherein the funding, as discussed above, does not materialise which represents a material uncertainty that may cast doubt upon the company's ability to continue as a going concern. Our opinion is not modified in this respect.

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. 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial

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statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), taxation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

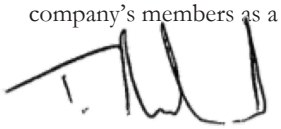
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income, grant expenditure, valuation of social investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

13 December 2023

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## Consolidated Statement of Financial Activities

*For the year ended 31 December 2022*

| | *note* | Unrestricted Funds 2022 USD ($000) | Restricted Funds 2022 USD ($000) | Total Funds 2022 USD ($000) | Total Funds 2021 USD ($000) |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Charitable activities - Grants | *2* | 3,984 | 5,560 | 9,545 | 8,063 |
| Investment & Other Income | *2* | 168 | - | 168 | 394 |
| Other income - Foreign exchange gain | | 4 | - | 4 | 19 |
| **Total income** | | 4,156 | 5,560 | 9,717 | 8,476 |
| **Expenditure on:** | | | | | |
| Charitable activities | *3* | (19,381) | (2,379) | (21,759) | (24,506) |
| **Total expenditure** | | (19,381) | (2,379) | (21,759) | (24,506) |
| **Net movement in funds** | | (15,224) | 3,182 | **(12,043)** | **(16,030)** |
| **Reconciliation of funds:** | | | | | |
| *Total funds brought forward as at 1st January 2022* | | 37,142 | 3,471 | 40,613 | 56,643 |
| *Total Funds carried forward as at 31st December 2022* | | **21,918** | **6,653** | **28,570** | **40,613** |

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## Consolidated and Charity Balance Sheets

*As at 31 December 2022*

| | *note* | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) | Charity 2021 USD ($000) |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Investments | 4 | 15,151 | 15,151 | 18,729 | 18,729 |
| **Total fixed assets** | | **15,151** | **15,151** | **18,729** | **18,729** |
| **Current assets:** | | | | | |
| Debtors | 5 | 683 | 736 | 242 | 452 |
| Cash at bank and in hand | 6 | 14,524 | 14,445 | 22,229 | 22,008 |
| **Total current assets** | | **15,208** | **15,180** | **22,471** | **22,460** |
| **Liabilities:** | | | | | |
| **Creditors:** amounts falling due within one year | 7 | (1,789) | (1,761) | (587) | (576) |
| **Net current assets** | | **13,419** | **13,419** | **21,884** | **21,884** |
| **Total net assets** | | **28,570** | **28,570** | **40,613** | **40,613** |
| **The funds** | | | | | |
| Restricted | 8 | 6,653 | 6,653 | 3,471 | 3,471 |
| Unrestricted | 8 | 21,917 | 21,918 | 37,142 | 37,142 |
| **Total funds** | | **28,570** | **28,570** | **40,613** | **40,613** |

The deficit for the financial year dealt within the financial statements of the parent charitable company was $12,043k (2021 – deficit $16,030k)

These financial statements were approved and authorised by the board of directors on 12 December 2023 and were signed on its behalf by:

DocuSigned by:
James Clark
951FB70A3A2F4BE...

**James Clark**
*Chair of the Board of Directors*
*Global Innovation Fund*
*Company Registration Number: 09223487 (England and Wales)*

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## Consolidated Cash Flow Statement

*For the year ended 31 December 2022*

| | *note* | Group 2022 USD ($000) | Group 2021 USD ($000) |
|---|---|---|---|
| Net cash inflow from operating activities | (a) | (5,388) | (8,508) |
| Cash flows from investing activities | (b) | 141 | 277 |
| Cash flows from financing activities | (c) | (2,458) | (1,345) |
| Change in cash and cash equivalents in the reporting period | | **(7,704)** | **(9,576)** |
| Cash and cash equivalents as at 1 Jan | | **22,229** | **31,805** |
| Cash and cash equivalents as at 31 Dec | | **14,524** | **22,229** |

***Cashflow Statement notes:***

**(a) Reconciliation of changes in resources to net cash outflow from operating activities**

| | | |
|---|---|---|
| Net income for the reporting period | (12,043) | (16,030) |
| Impairment of programme related investments | 6,036 | 7,696 |
| Dividends and interest from investments | (168) | (291) |
| Bank charges | 26 | 14 |
| (Increase)/decrease in debtors | (441) | 16 |
| Increase/ (decrease) in creditors | 1,202 | 87 |
| **Net Cash provided by operating activities** | **(5,388)** | **(8,508)** |
| **(b) Cash flows from investing activities** | | |
| Portfolio Interest | 157 | 288 |
| Bank and other interest | 11 | 3 |
| Bank charges | (26) | (14) |
| **Net Cash provided by investing activities** | **141** | **277** |
| **(c) Cash flow from financing activities** | | |
| Purchase of programme related investments | (3,528) | (4,092) |
| Exits of programme related investments | 1,070 | 2,747 |
| **Net Cash provided by financing activities** | **(2,458)** | **(1,345)** |

*The charity has taken advantage of the exemption available under FRS 102 from the requirement to present a charity-only cash flow statement within the consolidated financial statements.*

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## Notes to the accounts

### 1. Accounting policies

***Company Information:***

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, it's registered address is Wework, 8 Devonshire Square, London EC2M 4PL

***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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

GIF has a 100% owned subsidiary, also called Global Innovation Fund, incorporated in the District of Columbia, United States of America (EIN: 47-4045086). It is a not for profit organisation and therefore has equity of nil, its turnover of $1,306k (2021: $1,606k) was provided directly from GIF to cover its operating costs. Its address is 1701 Rhode Island Ave NW, 20036, Washington, United States.

GIF has a second 100% owned subsidiary, GIF Growth Limited (company number 12392232) that was incorporated on 8th January 2020. It has not commenced trading as of end of 2021 but has incurred costs of $125k, resulting from recharges from the parent entity. These costs are reflected in the parent entity accounts as a receivable, but are consolidated out in the Group figures.

No separate SOFA has been prepared for the charity alone, as permitted by Section 408 of the Companies Act 2006. The charity has also taken advantage of the exemptions available under FRS 102 from the requirements to present a charity-only cash flow statement and to present certain disclosures about the charity's financial instruments.

***Going concern***

GIF is currently in the process of agreeing a renewed funding cycle with its principle funders. This funding is contingent upon the satisfactory outcome of an independent evaluation which was underway as at the time of signing of these financial statements.

GIF currently has sufficient cash runway available to cover operational expenditure until Q2 2024. Beyond this, it is reliant on the costed extension funding to meet short term operational commitments.

The trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs (including the level of cash reserves that can be used for this purpose), grant commitments, and the expectations of funders for new investments. The trustees are confident that, given the current information, estimates and consideration of the likelihood of additional funding being realised, the charity will have sufficient funds to continue its operations for the foreseeable future and as a result the financial statements have been prepared on the basis that the charity is a going concern.

However, there is a plausible but not remote scenario wherein the funding, as discussed above, does not materialise which represents a material uncertainty that may cast doubt upon the company's ability to continue as a going concern.

The trustees continue to monitor this risk closely with a view to assess and mitigate the impact on the organisation and its social impact.

***Basis of consolidation***

The consolidated financial statements include the financial statements of the company Global Innovation Fund and its subsidiary undertakings made up to 31st December 2022. The parent company Global Innovation Fund is based in London and has three subsidiaries - one also named Global Innovation Fund based in Washington D.C, GIF

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Growth Limited based in London and GIF (Kenya) Limited based in Nairobi. There is also a branch based in Singapore.

***Accounting estimates and judgements***

In preparing the financial statements, management have made judgements, estimates and assumptions that affect both the amounts recorded as revenues and expenses during the period, and amounts recorded for assets and liabilities as at the balance sheet date. However, the nature of estimation means these estimates could differ from actual outcomes. This is especially prevalent in determining the carrying value of GIF's social investments and any need for impairment. The determination of carrying values for early-stage companies is by nature a volatile and uncertain process. Despite the inherent volatility, the guidelines applied to determine whether an impairment is required are considered to result in the best estimate of whether and the amount of any impairment required.

In 2021 GIF adopted a new valuations and impairments policy with a multi stage flow chart and analysis. We start by looking at recent third-party valuations including recent priced investment rounds. Should the carrying value be equal or higher than our book value then no adjustment to book value is made. In the absence of a third-party valuation, we compare performance to budget. Where there is no material deviation, no adjustment to book value is made. Finally, where there has been a material underperformance on budget, we look at the latest business plan and forecasts in order to make an assessment of any long term value impairment. Where there is no material downside in the long term value, no adjustment to book value is made.

***Measurement convention***

The financial statements are prepared on the historical cost basis except for any social investments for which it is considered that a reliable estimate of market value exists. The related financial instruments are classified at fair value through income and expense. Where an accurate estimate of market value is unavailable the investments are stated at cost with an assessment for impairment taken at the year end.

***Foreign currency***

GIF operates in 7 Currencies: US Dollars, Pounds Sterling, Euros, Swedish Kroner, Australian Dollars, Indian Rupees and Canadian Dollars. Transactions in foreign currencies are recognised in the group's statement of income and expense in US Dollars (the functional currency), at the foreign exchange rate ruling at the date of the transaction.

Exchange rates within the accounting system are updated automatically on a daily basis. For the purpose of the first period end, monetary assets and liabilities denominated in foreign currencies at 31st December 2021 are translated to US Dollars at the closing foreign exchange rate ruling on 31st December 2021. Foreign exchange differences arising on translation are recognised in the statement of income and expense.

The functional currency of the subsidiary is US Dollars and therefore no currency difference occurs on consolidation with the group accounts.

***Basic financial instruments***

Trade and other debtors are recognised initially at transaction price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise cash balances and notice deposits, less than three months. The accounting policy for social investments is set out separately below.

***Income recognition***

All income is accounted for when Global Innovation Fund has entitlement, there is probability of receipt and the amount is measurable. For grant income this is usually when the invoice for payment is raised.

Interest receivable on the notice deposits (less than three months) is recognised in the income and expenditure account as they accrue, using the effective interest method. Realised and unrealised foreign currency gains and losses are reported on a net basis.

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***Expenses***

Expenses are recognised on an accruals basis in the period to which they relate.

All costs are allocated to direct charitable activities or raising funds. Support costs are allocated either as direct costs associated with the investment or indirect costs.

***Pension costs***

GIF operates a defined contribution pension scheme for its employees and contributes 10% of gross salary where the employee contributes at least 1%. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

***Fund Accounting***

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes.

***Operating leases***

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Statement of Financial Activities on a straight-line basis over the period of the lease.

***Social Investments***

Social Investments that are loans, equity or convertible loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Fund is able to obtain a reliable estimate of fair value.

An impairment of charge of $6,036k (2021: $7,696k) was recognised in the accounts in relation to the annual assessment of social investments.

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## Notes *(continued)*

### 2. Income

| | 2022<br>USD<br>($000) | 2021<br>USD<br>($000) |
|---|---|---|
| **Income** | | |
| Government Grants | 9,929 | 6,809 |
| Private Funding | (385) | 1,254 |
| | **9,545** | **8,063** |

| | 2022<br>USD<br>($000) | 2021<br>USD<br>($000) |
|---|---|---|
| **Government income by country** | | |
| Australia | - | - |
| Canada | 3,889 | - |
| Sweden | 2,992 | 2,584 |
| United Kingdom | 3,048 | 4,225 |
| United States of America | - | - |
| | **9,929** | **6,809** |

| | 2022<br>USD<br>($000) | 2021<br>USD<br>($000) |
|---|---|---|
| **Investment Income and other Income** | | |
| Income from investments | 157 | 288 |
| Bank interest on current accounts | 11 | 3 |
| Profit on disposal of investment | - | 103 |
| | **168** | **394** |

No government grants that have been recognised in the accounts have any unfulfilled conditions or other contingencies attached and there are no other forms of government assistance from which the charity has benefited. For 2021, grant income of $1,254k was restricted and $6,809k was unrestricted. All investment income was unrestricted.

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## Notes *(continued)*

### 3. Charitable Activities

| | 2022 USD ($000) | 2021 USD ($000) |
|---|---|---|
| **Grants Payable** | | |
| DMI (Development Media International) | - | 21 |
| PATH | - | 414 |
| DGMT-SmartStart | 250 | 250 |
| Behavioural Insights Team | - | 135 |
| Lively Minds | 1,100 | 1,100 |
| Education Initiatives | - | 216 |
| Ideas42 | 1,208 | 400 |
| ICM | 500 | - |
| Labeled Remittances | 40 | - |
| IDInsight | 50 | 450 |
| No Means No Worldwide | 500 | 700 |
| Graduation | - | 1,500 |
| SwipeRx (formerly mClinica) | - | 60 |
| Balloon Ventures | 40 | - |
| Give Directly | 100 | - |
| Babban Gona | - | 18 |
| Crime Radar | 169 | - |
| Strong Minds | 358 | 400 |
| BRAC | 100 | 910 |
| Breakthrough | 420 | 253 |
| BuildHer | 40 | 150 |
| MTV Staying Alive | - | 175 |
| Stanford | - | 308 |
| WhereIsMy Transport | 50 | - |
| PayGo Energy | 8 | - |
| Place | 100 | - |
| IRD Global Ltd | 137 | - |
| Impact(ed) | 1,100 | - |
| | **6,270** | **7,460** |
| **Impairment of programme related investments** | **6,036** | **7,696** |
| **Staff and other related staff costs** | **4,856** | **5,229** |
| Consultancy & professional | 2,001 | 2,175 |
| Travel & events | 607 | 95 |
| IT costs | 118 | 192 |
| Other support costs | 474 | 906 |
| **Total Support costs** | **3,200** | **3,367** |
| **Foreign Exchange losses** | **1,398** | **754** |

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| | | |
|---|---|---|
| **Total costs directly associated to charitable activities** | **21,760** | **24,506** |

All grants above were made to institutions. All grants were signed for and disbursed within the year. For 2021 $3,672k of total expenditure was restricted and $20,834k was unrestricted.

## 4. Programme-related investments

| | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) | Charity 2021 USD ($000) |
|---|---|---|---|---|
| **Debt** | | | | |
| B/F amount | 875 | 875 | 2,069 | 2,069 |
| Additions/Interest accrued | 77 | 77 | 774 | 774 |
| Investments paid back | (663) | (663) | (1,697) | (1,697) |
| Impairment charge | 18 | 18 | (271) | (271) |
| C/F amount | 308 | 308 | 875 | 875 |
| **Convertible debt instruments** | | | | |
| B/F amount | 1,975 | 1,975 | 3,369 | 3,369 |
| Additions/Interest accrued | 80 | 80 | 930 | 930 |
| Disposals | (407) | (407) | - | - |
| Debt converted to equity | (130) | (130) | (1,894) | (1,894) |
| Impairment charge | 7 | 7 | (430) | (430) |
| C/F amount | 1,525 | 1,525 | 1,975 | 1,975 |
| **Equity** | | | | |
| B/F amount | 15,879 | 15,879 | 19,642 | 19,642 |
| Additions | 3,371 | 3,371 | 2,388 | 2,388 |
| Disposals | - | - | (1,051) | (1,051) |
| Debt converted to equity | 130 | 130 | 1,894 | 1,894 |
| Impairment charge | (6,061) | (6,061) | (6,994) | (6,994) |
| C/F amount | 13,318 | 13,318 | 15,879 | 15,879 |
| **Total programme-related investments** | **15,151** | **15,151** | **18,729** | **18,729** |

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## Notes *(continued)*

### 5. Debtors

| | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) | Charity 2021 USD ($000) |
|---|---|---|---|---|
| **Debtors** | | | | |
| **Trade receivables** | | | - | - |
| Deposits | 53 | 53 | 103 | 63 |
| Prepayments and accrued income | 615 | 668 | 139 | 388 |
| Other debtors | 15 | 15 | - | 1 |
| | **683** | **736** | **242** | **452** |

### 6. Cash at bank and in hand

| | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) | Charity 2021 USD ($000) |
|---|---|---|---|---|
| **Cash at bank and in hand** | | | | |
| Cash in hand | 14,524 | 14,445 | 21,754 | 21,533 |
| Notice deposits (less than 3 months) | - | - | 475 | 475 |
| | **14,524** | **14,445** | **22,229** | **22,008** |

### 7. Creditors

| | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) | Charity 2021 USD ($000) |
|---|---|---|---|---|
| **Creditors: amounts falling due within one year** | | | | |
| Trade creditors & accruals | 1,789 | 1,761 | 580 | 569 |
| Other creditors | - | - | 7 | 7 |
| | **1,789** | **1,761** | **587** | **576** |

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## Notes *(continued)*

### 8. Funds

The restricted funds are received under an agreement with GAC (Canada), FCDO (Climate), SAS-P and Dioraphte. GAC have stipulated their funds are to be invested in initiatives that have a gender focus.

| | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) *(restated)* | Charity 2021 USD ($000) *(restated)* |
|---|---|---|---|---|
| **Restricted funds** | | | | |
| Balance brought forward | 3,471 | 3,471 | 5,889 | 5,889 |
| Grant & Other Income | 5,560 | 5,560 | 1,254 | 1,254 |
| Grants & Other Expenditure | (3,450) | (3,450) | (3,672) | (3,672) |
| Increase/(Decrease) in Investments | 1,071 | 1,071 | - | - |
| Balance carried forward | **6,653** | **6,653** | **3,471** | **3,471** |

| | Group 2022 USD ($000) | Charity 2022 USD ($000) | Group 2021 USD ($000) | Charity 2021 USD ($000) |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| Balance brought forward 1st January | 37,142 | 37,142 | 50,754 | 50,754 |
| Grant & Other Income | 4,156 | 4,156 | 7,222 | 7,222 |
| Grants & Other Expenditure | (13,345) | (13,345) | (13,138) | (13,138) |
| Increase/(Decrease) in Investments | (6,036) | (6,036) | (7,696) | (7,696) |
| Balance carried forward 31st December | **21,918** | **21,918** | **37,142** | **37,142** |
| Total Funds | **28,570** | **28,570** | **40,613** | **40,613** |

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## Notes *(continued)*

| Fund Balances as at 31st December (Group) | Group 2022 USD ($000) Unrestricted | Group 2022 USD ($000) Restricted | Group 2021 USD ($000) Unrestricted | Group 2021 USD ($000) Restricted |
|---|---|---|---|---|
| Investments | 13,380 | 1,771 | 17,163 | 1,566 |
| Current Assets | 10,326 | 4,882 | 20,566 | 1,905 |
| Current Liabilities | (1,789) | - | (587) | - |
| Total Funds | **21,917** | **6,653** | **37,142** | **3,471** |
| | | **28,570** | | **40,613** |

The trustees have reviewed the opening restricted fund position and $430k has been reclassified between restricted and unrestricted as at 1 January 2022.

### 9. Auditor's remuneration

| | Group 2022 USD ($000) | Group 2021 USD ($000) |
|---|---|---|
| **Included in the statement of financial activities are;** | | |
| Statutory audit fees | 60 | 50 |
| Tax advisory fees | 2 | 1 |
| | **62** | **51** |

### 10. Staff numbers and costs

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

| | Group 2022 USD ($000) | Group 2021 USD ($000) |
|---|---|---|
| **Category** | | |
| Investment | 11 | 12 |
| Analytics | 5 | 4 |
| Legal | 6 | 6 |
| Administration | 11 | 13 |
| | **33** | **35** |

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| *The aggregate payroll costs of these persons were as follows:* | | |
|---|---|---|
| Wages and salaries | 3,693 | 3,847 |
| Social security costs | 385 | 359 |
| Contributions to defined contribution pension plans | 503 | 834 |
| Other employee benefits | 263 | 203 |
| Other Staff costs | 20 | 11 |
| | **4,864** | **5,254** |

**Staff banding**

*The number of employees whose total compensation package (excluding pension) exceeded $81k are as follows:*

| | **Group 2022 USD ($000)** | **Group 2021 USD ($000)** |
|---|---|---|
| USD | | |
| 81,000 - 93,999 | 4 | 3 |
| 94,000 - 107,999 | 6 | 6 |
| 108,000 - 120,999 | 4 | 1 |
| 121,000 - 134,999 | 2 | 3 |
| 135,000 - 148,999 | 3 | 4 |
| 149,000 - 161,999 | 1 | 3 |
| 162,000 - 174,999 | 1 | 1 |
| 175,000 - 188,999 | 2 | 1 |
| 189,000 - 202,999 | 0 | 1 |
| 203,000 - 215,999 | 0 | 0 |
| 216,000 - 228,999 | 0 | 0 |
| 229,000 - 241,999 | 0 | 1 |
| 242,000 - 254,999 | 1 | 0 |
| 255,000 -267,999 | 0 | 0 |
| 268,000- 280,999 | 0 | 1 |
| 294,000 - 306,999 | 0 | 0 |
| 316,000 - 328,999 | 0 | 0 |
| | **24** | **25** |

**Remuneration of Key Management Personnel**

The total compensation package for key management personnel totalled $1,743k (2021:$1,400k). The trustees received no remuneration for their services to the company.
The above bandings factor in termination payments made in year.

**Termination payments**

Termination payments made during the year were $291,165 (2021: $58,166) as part of an organisational restructure. These have been included within "Wages and salaries" within the aggregate payroll costs table in note 10.

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## Notes *(continued)*

### 11. Financial Instruments

The carrying amounts of the financial assets and liabilities include

| | Group 2022 USD ($000) | Group 2021 USD ($000) |
|---|---|---|
| **Financial Instruments** | | |
| Financial Assets - amortised cost | 29,742 | 39,771 |
| Financial Assets - fair value | - | 1,187 |
| Financial Liabilities - amortised cost | 1,789 | 587 |
| | | |
| **Financial Assets** | | |
| Cash | 14,524 | 22,229 |
| Debtors | 67 | - |
| Social investments | 15,151 | 18,729 |
| | **29,690** | **40,958** |
| | | |
| **Financial Liabilities** | | |
| Trade creditors & accruals | 1,789 | 580 |
| Other creditors | - | 7 |
| | **1,789** | **587** |

As quoted prices are unavailable, investments are recognised at cost less impairment. An assessment of the investments was made at the year end by the senior management and an impairment charge of $6,036k (2021: $7,696k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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## Notes *(continued)*

### 12. Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

| | Group 2022 USD ($000) | Group 2021 USD ($000) |
|---|---|---|
| **Operating Leases** | | |
| not later than one year | 77 | 257 |
| **Total annual commitments** | **76** | **257** |

Within the financial statements are lease payments totalling $351k (2021: $758k)

### 13. Funding Commitments

| | | 2022 Grant Commitments | 2022 Risk Capital Commitments | 2022 Total |
|---|---|---|---|---|
| | 2023 | 3,727,161 | 158,905 | 3,886,066 |
| | 2024 | 1,608,201 | - | 1,608,201 |
| | 2025 | 125,000 | - | 125,000 |
| **Total annual commitments** | | **5,460,362** | **158,905** | **5,619,267** |

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## Notes *(continued)*

### 14. Trading activities of subsidiary

Global Innovation Fund, a non-profit subsidiary, is registered in the US (FEIN 47-4045086), located in Washington DC had the following results to 31/12/2021.

Global Innovation Fund is the sole member of the US entity and has certain governance rights under its articles and by laws, including, but not limited to, appointing board members.

The US entity carries out administrative activities such as employing US based staff and leasing premises to further the objectives of the parent entity.

| | 2022<br>USD<br>($000) | 2021<br>USD<br>($000) |
|---|---|---|
| **Income & Expenditure** | | |
| Total support received & revenue | 1,376 | 1,671 |
| Total expenses | (1,376) | (1,671) |
| | | |
| **Balance Sheet** | | |
| Assets | 80 | 260 |
| Liabilities | (80) | (260) |
| | - | - |

### 15. Defined contribution scheme

The group operates a defined contribution pension scheme. The total expense relating to this scheme amounted to $503k (2021: $834k) during the period which has been charged to the Statement of Financial Activities. The contributions were paid using unrestricted funds.

### 16. Related party disclosure

*Trustees*
None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

*Trustees expenses*
Four of the Trustees have claimed expenses or had their expenses met by the charity, these are related to flights, accommodation, and subsistence for board meetings. These costs total $100,626k (2021: $14,908). This increase was driven by the easing of covid restrictions relating to travel.

*Subsidiary*
GIF gave $900k (2021: $1,700k) to its subsidiary located in Washington DC to fund its administration expenses and $318k (2021: $201k) of expenses were paid by GIF on behalf of the US. At the year end, the subsidiary owed GIF $nil (2021:nil).

**GLOBAL INNOVATION FUND**

England & Wales - Charity number 1171353

# Accounts

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# Report and Audited Financial Statements for the year ending 31st December 2021

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## Greetings from the Chair



**I am delighted to present the Global Innovation Fund's 2021 impact report, detailing the progress made to advance GIF's mission of accelerating innovation to improve the lives of the world's poorest.**

We invest in early-stage innovations that are risky but which, if successful, offer prospects of meaningful benefits to millions of people. Through grants, loans and equity investments, GIF's portfolio of innovations has the potential for outsized social impact, whether through new technologies, business models, policy practices, or behavioural insights.

We need innovation in development. The building blocks of communities are public services that work for everybody. Dynamic and productive jobs and markets – in which the agency of women and girls is reflected – is universal and timeless, in London and in Lagos, through solutions that are locally-driven.

Central to achieving international development goals is confronting the challenges of climate change and gender inequality. GIF will continue to demonstrate how its flexible model can rise to these challenges, as we did to address the pandemic.

We want to see a world in which people everywhere are living in inclusive, sustainable, and dynamic economies and societies. If you are an innovator with a focus on solving hard development challenges in poorer countries, with a commitment to the rigorous generation of evidence and generating impact at scale, we want to hear from you.

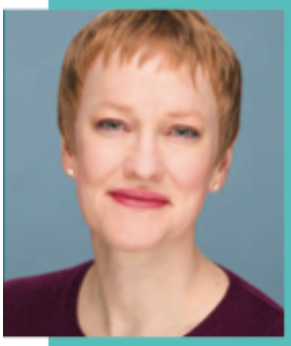
Finally, I want to take the opportunity to thank all our hard-working, committed, and very talented investees who helped ensure GIF continued to deliver on its mission amidst an ongoing pandemic and brought meaningful advances to our target populations during what was another extraordinary year.

**James R. Clark**
Chair, Board of Directors

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## **Message** from the CEO



**Reflecting on a year in which the pandemic continued to threaten the hard-fought development gains made in recent decades, GIF continued to approach our work with a spirit of abundance. We deliberately acted with ambition, staked out our claim of impact and value for money, and asked our partners to double down on that, harvesting the returns of our work and their early investment in the model.**

At COP26 in Glasgow, I was delighted to launch our new Innovating for Climate Resilience fund, in partnership with the Global Resilience Partnership and the Adaptation Research Alliance, which has been made possible by seed funding from our partners at the UK Foreign, Commonwealth & Development Office.

We cemented ourselves as strong investors who maximise the impact of donor funding by making strategic grants and investments, providing targeted venture support, and generating evidence so that both the private sector and non-profit organisations we support can thrive and grow. This year GIF closed six new transactions, addressing challenges ranging from gender-based violence, to the effects of COVID-19, to improving water sanitation.

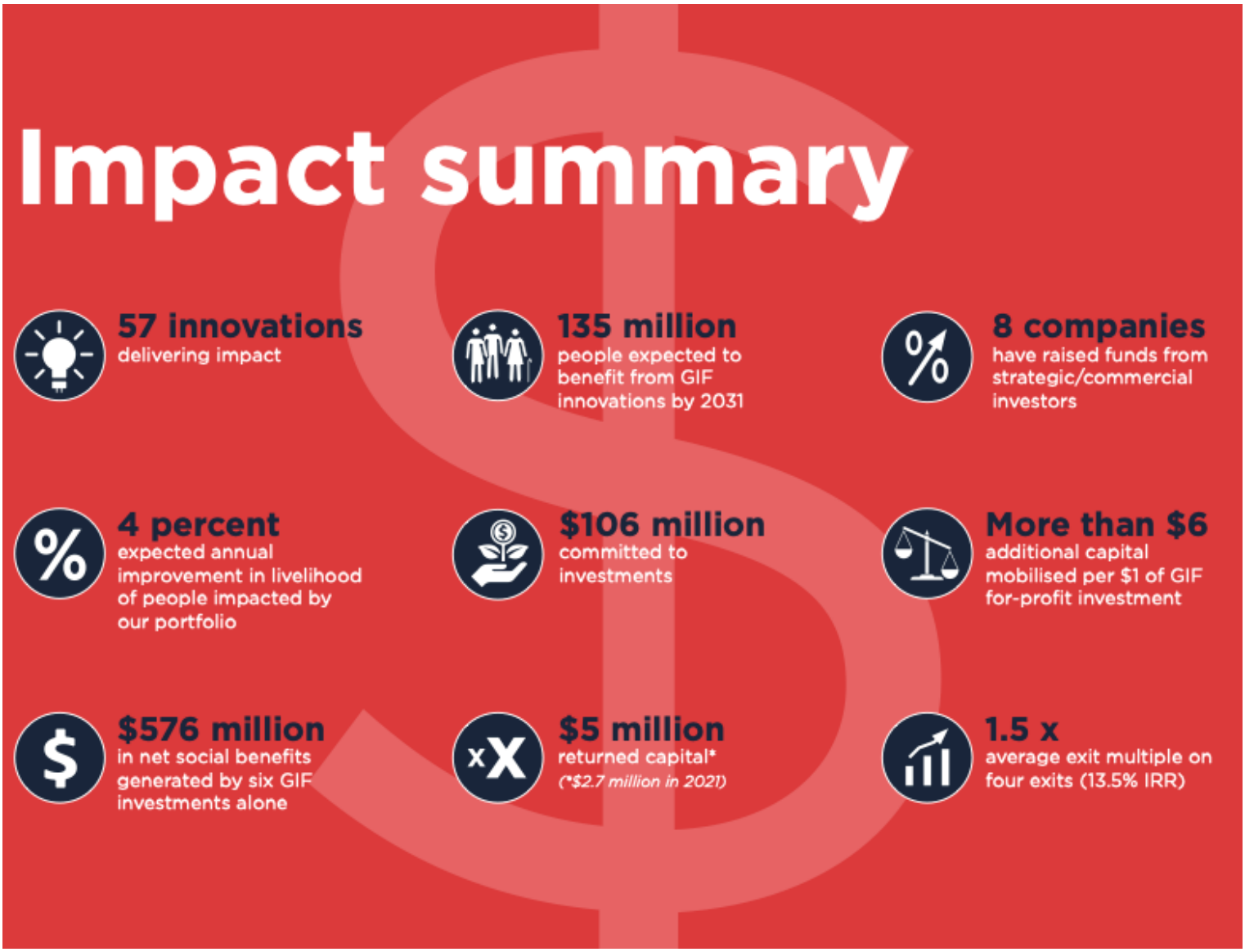
Innovations in our portfolio are expected to benefit 135 million people by 2031, improving their standard of living by four percent on average. Our exit strategies have seen $5 million in returned capital. We have recycled this money back into the fund, enabling us to reinvest it in new, evidence-based innovations with the potential to bring about lasting social impact for millions of people.

I would like to express my continued gratitude to each of our donors whose support and guidance make our work to scale innovation possible.

**Alix Peterson Zwane, PhD**
Chief Executive Officer

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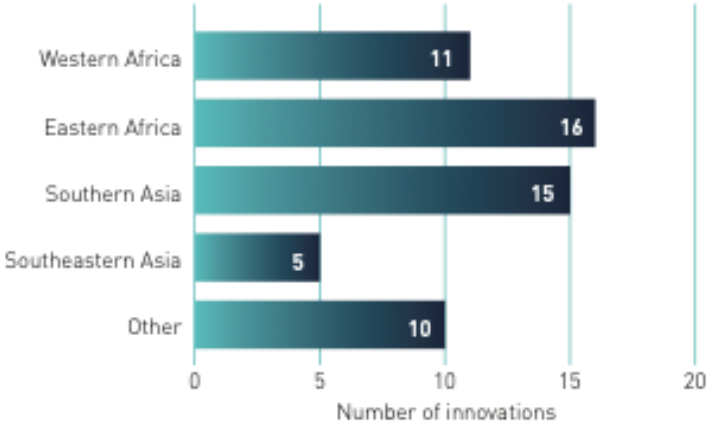


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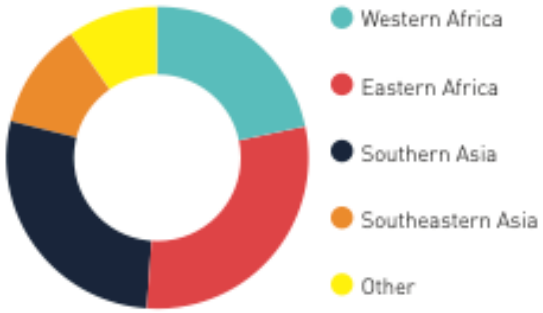


# Measuring impact

## Innovations by region

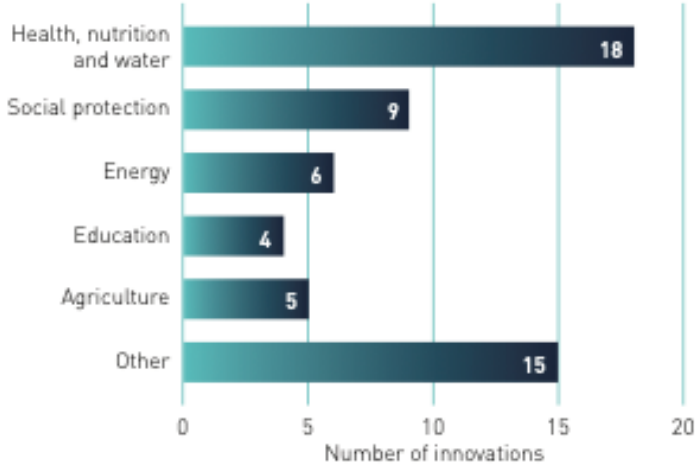



## Value of GIF commitment by region

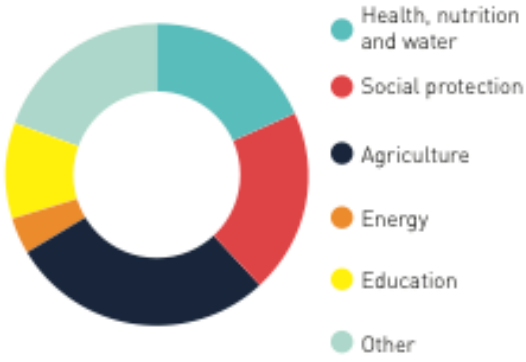



Total: $105,474,841

## Innovations by sector




## Value of GIF commitment by sector




Total: $105,474,841

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## Trustees, Officers and Advisers

### Trustees

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

- Darren Welch
- Jane Siebels
- Santhosh Mathew
- James Clark (appointed as Chair of the Board effective 31st January 2021)
- James Habyarimana
- Kathryn Kaufman
- Robert Christie (appointed 1st January 2021, resigned 30th June 2021)
- Amanda Glassman (appointed 1st January 2021)
- Jeremy Weinstein (appointed 31st January 2022)
- Sarah Pearson (re-appointed 17th March 2022)

### Key management personnel

| | |
|---|---|
| Chief Executive Officer | Alix Peterson Zwane |
| Chief Strategy & Legal Officer | Amélie Baudot (resigned 11th February 2022) |
| Chief of Staff and VP | Garreth Spillane |
| Senior Managing Director | Hashim Mulangwa Wasswa (resigned 28th February 2022) |
| Chief Analytics Officer | Kenneth Chomitz |
| Chief Financial Officer | Shane Leonard (appointed 21st June 2021) |

### Professional advisors

| | | |
|---|---|---|
| Auditors | Crowe U.K. LLP | 55 Ludgate Hill, London EC4M 7JW |
| Bankers | Barclays Bank Plc | 1 Churchill Place, London E14 5HP |
| Solicitors | Bates Wells Braithwaite LLP | 10 Queen Street Place, London, EC4R 1BE |

### Address of principal office

Global Innovation Fund's principal and registered office has the same address;

8 Devonshire Square

London

EC2M 4PL

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## Trustees' Report

The Trustees present their report, the directors' report, and consolidated financial statements for the year ended 31st December 2021.

Under the Charities Act 2011 and the Companies Act 2006 the Directors' Report and Strategic Report are included within the Trustees Report.

**Business review and future developments**

This has been discussed in the Strategic Report section.

The Board has delegated responsibility for GIF's investment selection (i.e., the selection of innovative investments to further GIF's mission) to the CEO and staff team, as outlined in GIF's, Byelaws and scheme of delegated authorities.

**Directors Report**

**Appointment of Trustees**

GIF's Articles of Association and Byelaws set out guidance on the composition of the Board of Trustees who are the Directors as defined under the Companies Act. The Board is entirely non-executive and comprises a majority of Trustees that are independent of any GIF funder ("A" Trustees). "A" Trustees are recruited from the following fields: private sector, civil society, the public sector and academia. They are formally appointed by the Board following approval by the Members. "A" Trustees serve for three-year terms with possible reappointment.

The Board also includes seats for Trustees that are elected by GIF's funders ("B" Trustees). "B" Trustees are elected at the start of each three year funding cycle of the charity.

The Trustees meet formally each quarter.

The Trustees have delegated day-to-day management of GIF to its Chief Executive Officer and her senior management team. The Board has also delegated authority to the Audit & Finance Committee and the Human Resources Committee, and has constituted an advisory Development Committee. Each of these committees reports back to the Board quarterly and makes recommendations to the Board for approval as necessary.

The Trustees review and approve as applicable on an annual basis:

- the annual budget and operating plan for the charity;
- the charity's financial results and variances from budget;
- the charity's key performance indicators;
- the charity's investment and grant portfolio and any major risks associated with the projects.

The Trustees also regularly review the charity's risk register. The Audit & Finance Committee of the Board receives quarterly updates from senior management on risks and ensures that appropriate controls are in place to mitigate those risks.

**Induction and training of new Trustees**

Each new GIF Trustee is briefed on the role of a Trustee and a Director under Charities Law and the Companies Act. They are provided with copies of relevant Charity Commission guidance and the charity's organisational documents. The Trustees also receive training on Trustee and Director duties and responsibilities, anti-bribery and corruption and conflicts of interest.

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**Pay and remuneration**

The Human Resources Committee (appointed by the Board) is responsible for setting strategies relating to human resource needs for the charity and oversees the charity's compensation philosophy. The HRC makes a recommendation to the Board regarding the CEO's annual compensation. The CEO is responsible for setting the terms of remuneration for senior management.

Every year all staff go through an annual review looking at their performance against their objectives set at the start of the year. Pay increases are then dependable on the performance rating of each staff member.

**Related Party**

None of the Trustees receive remuneration or other benefit from their work with the charity, although expenses are paid. Any connection of a Trustee with a request for financial assistance under discussion will be disclosed at a Board of Trustees meeting in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Details of Trustee expenses are disclosed in Note 16 to the accounts.

**Auditor**

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

## Strategic Report

This strategic report for the GIF's sixth full financial year covers the full financial period from 1st January 2021 to 31st December 2021, and includes information in the 'year in review' and 'measuring impact' sections of these accounts.

GIF was incorporated on 17th September 2014 as a company limited by guarantee. GIF has a 100% owned subsidiary, also called the Global Innovation Fund, incorporated in the District of Columbia, United States of America, on 9th April 2015. This subsidiary began operations on 13th April 2015.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Statement of public benefit**

GIF was granted charity status with the Charity Commission for England and Wales on 27th January 2017 with the charity number 1171353. The Articles of Association were adopted on 28th November 2016.

GIF is a non-profit organisation whose activities are intended to be for the public benefit. In both setting out the objectives and planning future activities, the Trustees have had due regard to the Charity Commission's guidance on public benefit.

Over this reporting period, and in line with the goals, GIF has approved investments in a broad range of innovations across the developing world, covering the three themes of making public services work for the poor, creating productive jobs and easing market frictions and enhancing agency for women and girls.

**Aims and purpose of the Charity**

GIF's mission is:

- To support innovations that could scale up to benefit millions of people now living on less than $5/day; and
- To improve the overall impact of development expenditure - public and private, international and domestic - by demonstrating the effectiveness of outcome-oriented, evidence-based investment.

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GIF aims to support the global public good of generating innovations that will collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries. To accomplish this, GIF seeks to accelerate the development, rigorous testing and scaling of cost-effective innovations, in particular by:

- providing an open global innovation platform to support piloting and testing new innovations for the world's poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;
- providing grants and making risk capital investments to support the transition to scale of:
    - innovations designed to scale commercially that have passed a market test, and;
    - innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and
- generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

**Investment Policy**

GIF supports innovations that benefit people living on less than the equivalent of US$5 per day in developing countries, and is especially interested in innovations that impact people living on less than US$2 per day.

GIF defines "innovation" as any solution that has potential to improve the lives of the poor in developing countries more effectively than existing approaches. This includes new products or services, policy practices, business models, operational or production processes, behavioural insights, or ways of delivering products and services that benefit the poor, across all relevant sectors. These innovations could come from social enterprises, for-profit firms, non-profit organisations, researchers, academics, government agencies or any other relevant institution or individual.

GIF seeks to fill market gaps, and is especially interested in supporting promising innovations that may otherwise struggle to find appropriate forms of funding for objectives that align with those of GIF, e.g. piloting development innovations, gathering rigorous evidence of impact or achieving greater scale.

**Grants**

GIF works with a wide range of institutions to fund specific research projects. Payment of grants is conditional upon the performance of key tasks. Where such tasks remain incomplete, payment is withheld. GIF operates an annual review process whereby grants are reviewed to ensure progress is being made and the programme complies with expectations before continuing payment is confirmed. As a result, the first payment of each grant is made up front, with further payments contingent on the above policy.

**Reserves Policy**

The approved reserves policy intends to ensure GIF is in a position where it holds sufficient working capital to fulfil short-term contractual and constructive investment commitments, as well as sufficient funds to cover medium term operational expenditure. The Reserves Policy is approved by the board in line with the requirements of GIF's donor governments. The charity aims to have free reserves of $5m to stay in line with the approved policy taking into account the variable investment commitments it makes in the year.

**Investment Commitments**

GIF intends to hold sufficient funds to fulfil any disbursements relating to contractual and constructive obligations falling due in the preceding twelve months. Current levels of investment commitments are shown in note 13 to the accounts.

**Operational Expenses**
Operational expenses are those incurred through the course of running GIF's offices, employing staff and making investments. The medium-term value of reserves will relate to twelve months' costs as per the most recent operational budget or forecast.

**Working Capital**

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In addition to the funds described above, GIF will hold a minimum level of working capital of $5 million, in order to accommodate any investment activity beyond the time horizons indicated and any unforeseen costs.

| | |
|---|---|
| Total Funds at 31st December 2021: | $40.6m |
| Less: | |
| Restricted Funds | ($3.9m) |
| Investments | ($18.7m) |
| Funding Commitments | ($10.5m) |
| Free Reserves Balance | $7.5m |

Free reserves are compliant with the approved policy.

**Financial Review**

GIF's income from its funders decreased from $22,591k in 2020 to $8,063k in 2021. This consisted of receipts from two existing Government donors in addition to receipts from existing private donors. Investment income decreased from $583k to $394k.

During the year $3,804k of new risk capital investments (Debt, Equity or Convertible Debt) were made. At the end of the year an in-depth review of our investments was undertaken. It was decided that writedowns, totalling $7,696k (2020: $3,026k) were necessary due to uncertainties around various aspects such as going concern. The impairment losses are included within Charitable activities in the Statement of Financial Activities.

Total funds as at the end of the year was $40,613k (2020: $56,643k) of which $3,901k (2020: $5,889k) was restricted.

**Review of the group's operations**

Our goal at GIF is to find, fund, and scale-up cost-effective, evidence-based innovations that have the potential to measurably improve the lives of millions of people in the developing world.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere. Through our grants and risk capital, we help breakthrough solutions to global development challenges from social enterprises, for-profit firms, non-profit organisations, researchers, and government agencies to maximise their impact and affect meaningful change.

We support innovators at all stages of development, from start-up and pilot-testing through to larger scale implementation - the innovations we fund can be located in any developing country and can focus on any sector relevant to international development, provided they are committed to improving the lives of those living on less than $5 a day.

When thinking about where to invest, we look for promising entrepreneurs and seek to become their early partners as they test, adapt and improve their business model, before they are big enough to work with development finance institutions. We can also support experimentation and evidence gathering in domestic resource mobilisation, such as in increasing tax compliance in developing countries or supporting remittance flows.

During this time:

- We have continued to build a portfolio of investments and grown our pipeline of possible investees to ensure that we are able to continue to invest in innovations with the potential to transform the lives of people living on $5 a day or less.
- We have refined and implemented our Practical Impact methodology to rigorously assess the potential impact of our portfolio pipeline. This model is used across our work notably for project selection and appraisal (which proposals offer the highest impact per dollar), for tracking long-run portfolio performance, and in balancing rigour with practicality.

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- We have continued our engagement with potential new funders who align with GIF's impact first, evidence-based investment approach. These conversations will continue in 2022 as GIF seeks to mobilise additional capital in pursuit of social returns.

Throughout the year we have achieved the following results:

- **We invested in evidence-based impact:** GIF closed six new transactions through GIF Core, addressing development challenges ranging from gender-based violence to COVID response. GIF investees have returned over $5m in capital through exits ($2.7m in 2021 alone) which will be reinvested. By 2032, GIF expects its portfolio of evidence-based grants and risk capital investments to benefit 124 million people each year.
- **We committed to improving its organisational transparency:** This included the publication of completion assessment reports covering the achievements of, and lessons learned from, GIF Core's former portfolio innovations, and impact briefs analysing the impact that innovations currently funded by GIF have achieved to date. The organisation strives to be an exemplar in PublishWhatYouFund's DFI Transparency Initiative.
- **We continued to invest for gender equality:** GIF made two grants under the first phase of its Innovating for Gender Equality Fund in partnership with Global Affairs Canada (a sub-fund of GIF Core), and it commissioned an independent evaluation of the gender fund, which strongly endorsed the progress GIF made during its first phase of partnership. The evaluation found that *"GIF's approach to development assistance is quite unique in the market given that it works like a venture capital fund, but with an objective to maximise the social benefits it creates…What began as a pilot partnership between GIF and GAC ultimately had a much wider and deeper impact, profoundly influencing the way GIF thinks about gender in all aspects of its work…a relatively modest amount of funding to GIF to gather evidence, develop methodologies, and design appropriate toolkits has created significant leverage and knock-on effects."* Following this strong endorsement of the performance of the fund and in recognition of the outsized social impact achieved by the five grants awarded during the lifetime of the first phase of the agreement, GIF were delighted to announce a recommitment from GAC of a further CAD $5m at the end of 2021.
- **We developed our approach to climate adaptation and resilience:** GIF built a Climate Investment Strategy, as well as launching its Innovating for Climate Resilience Fund (with seed funding from FCDO) a sub-fund of GIF Core which invests, through grant, equity, and debt instruments, in innovations with the potential to scale and support poor people to build resilience and adaptation to climate change. GIF launched the fund at COP26, with participation from Dr. Charlotte Watts and representatives from the Finnish, Maldivian, and Bangladeshi governments.
- **We relaunched GIF Growth**: Following a pause to fundraising as a result of the pandemic, GIF renewed its work on building a returnable capital vehicle which will bring together impact-focused investors to mobilise their capital in the pursuit of outsized social impact and financial return. Ongoing conversations with a prospective anchor funder are positive and GIF hopes to finalise a funding partnership during 2022.
- **We saw the adoption of the Practical Impact methodology**: In line with its commitment to influence the field of development impact, GIF saw the adoption of its Practical Impact methodology in 2021 by CGIAR, a global partnership of international organisations engaged in food security research. GIF introduced CGIAR to GIF's Practical Impact Methodology and provided advice and feedback to the CGIAR on their adaptation of Practical Impact to assess the projected benefits of their $1 billion research portfolio. Having felt a need to assess the potential long-term impact of their innovations, CGIAR decided that Practical Impact was the best-suited. This is a major validation of GIF's strength in forecasting and measuring the social impact of development innovations.

**Principal risks facing the group**

The table below outlines key organisational risks faced by GIF in achieving its mission, and what we're doing to mitigate those risks.

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| Risk | Explanation/example | Management and mitigation |
|---|---|---|
| Political Risk | Global political or economic uncertainty | Active engagement with donor governments and broader bilateral and multilateral engagement, including focus on securing new donor relationships |
| Cash Flow Risk | Funding fluctuations by donor governments | GIF is funded by reputable development agencies on a multi-year basis with a reporting system in place to manage funding inflows |
| Impact risk | Portfolio fails to generate expected social impact, including as a result of COVID-19 | Rigorous due diligence and investment process, active portfolio management, and understanding the market context in which portfolio organisations operate |

These risks have, so far, proved manageable. A fully-encompassing corporate risk register is updated and reviewed by the Audit and Finance Committee and the wider Board of Trustees.

**Goals & Key Objectives**

1. **One Mission: Multiple Vehicles:** GIF "core"; GIF Growth; and the Advance Fund: We have recognised that GIF's unique model can support not only the deployment of Official Development Assistance but also create unique impact for (i) pools of returnable capital that are being invested in more traditional impact investors and (ii) corporate social responsibility funds.

2. **One Mission: One Deal Team:** The power of the GIF team is that we bring together rigorous economic analysis grounded in evidence, a deep understanding of the context in which our innovations can scale, financial acumen, a venture mind-set, and an ability to take smart risks. We have learned that the key to unlocking the power of this combination is to structure ourselves in a way that draws on the resources from across the GIF team and breaks down organisational silos.

3. **Enhancing the Agency of Women and Girls:** With its gender sub-fund, GIF will continue to apply, and improve on, the gender lens that it brings to all its investments, mainstreaming gender analytics into deal selection, diligence, and venture support. We will continue to partner with world-leading gender experts to grow our expertise and build a portfolio that prioritises gender equality outcomes.

4. **Investing in Innovation Focused on Climate Adaptation and Resilience:** Having launched the 'Innovating for Climate Resilience Fund' at COP26 in partnership with the Adaptation Research Alliance and the Global Resilience Partnership, with seed funding from the UK Foreign, Commonwealth and Development Office, GIF is harnessing its innovative model to invest in scalable early stage solutions to help people protect lives and livelihoods in the face of a changing climate, and we will measure their impact over time.

5. **GIF will invest where the world's poor live and in innovations that matter to them:** We will strategically complement our commitment to open innovation by deepening our expertise in markets where we have traction and where our capital can catalyse additional investment.

**Going concern**

Trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs, grant commitments, and the expectations of funders for new investments. The Global Innovation Fund has the flexibility to adapt our financial management, including

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adjusting the cash-flow profile of disbursals and adjusting operational expenditure as needed, in response to any negative impacts to income levels. Trustees have concluded that there are sufficient reserves held at the time of completion of the audit to create a reasonable expectation that the Global Innovation Fund has adequate resources to continue in operational existence over the 12 months from the date these accounts were signed. Accordingly, the Trustees continue to adopt a going concern basis in preparing the financial statements.

## Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Global Innovation Fund for the purposes of Company Law) 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 Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees 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 charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each Trustee is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- each Trustee has taken all the steps that they should have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are 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.

*The Trustee's Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report continued therein, and is signed as authorised on its behalf by;*

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8 Devonshire Square, London, EC2M 4PL

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James Clark
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**James Clark**

*Chair of the Board of Directors*
*Global Innovation Fund*

19 September 2022

Date: …….

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## Independent Auditor's Report to the Members of Global Innovation Fund

### Opinion

We have audited the financial statements of Global Innovation Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise The Consolidated Statement of Financial Activities, The Consolidated and Charity Balance sheets, The Consolidated Cash Flow Statement 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 Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 December 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 group 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 the charitable company's or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), taxation and employment

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legislation. We also considered compliance with local legislation for the group's overseas operating segments.

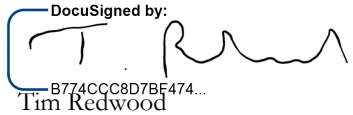
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income, grant expenditure, valuation of social investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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.

DocuSigned by:

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23 September 2022

Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

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## Consolidated Statement of Financial Activities

*For the year ended 31 December 2021*

| | note | Unrestricted Funds 2021 USD ($000) | Restricted Funds 2021 USD ($000) | Total Funds 2021 USD ($000) | Total Funds 2020 USD ($000) |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Charitable activities - Grants | *2* | 6,809 | 1,254 | 8,063 | 22,591 |
| Investment & Other Income | *2* | 394 | - | 394 | 583 |
| Other income - Foreign exchange gain | | 19 | - | 19 | 1,366 |
| **Total income** | | 7,222 | 1,254 | 8,476 | 24,540 |
| **Expenditure on:** | | | | | |
| Charitable activities | *3* | (21,264) | (3,242) | (24,506) | (23,193) |
| **Total expenditure** | | (21,264) | (3,242) | (24,506) | (23,193) |
| **Net movement in funds** | | (14,042) | (1,988) | **(16,030)** | **1,347** |
| **Reconciliation of funds:** | | | | | |
| *Total funds brought forward as at 1st January 2021* | | 50,754 | 5,889 | 56,643 | 55,296 |
| *Total Funds carried forward as at 31st December 2021* | | **36,712** | **3,901** | **40,613** | **56,643** |

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## Consolidated and Charity Balance Sheets

*As at 31 December 2021*

| | *note* | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Investments | 4 | 18,729 | 18,729 | 25,080 | 25,080 |
| **Total fixed assets** | | **18,729** | **18,729** | **25,080** | **25,080** |
| **Current assets:** | | | | | |
| Debtors | 5 | 242 | 452 | 259 | 265 |
| Cash at bank and in hand | 6 | 22,229 | 22,008 | 31,805 | 31,616 |
| **Total current assets** | | **22,471** | **22,460** | **32,064** | **31,881** |
| **Liabilities:** | | | | | |
| **Creditors:** amounts falling due within one year | 7 | (587) | (576) | (500) | (318) |
| **Net current assets** | | **21,884** | **21,884** | **31,564** | **31,563** |
| **Total net assets** | | **40,613** | **40,613** | **56,643** | **56,643** |
| **The funds** | | | | | |
| Restricted | 8 | 3,901 | 3,901 | 5,889 | 5,889 |
| Unrestricted | 8 | 36,712 | 36,712 | 50,754 | 50,754 |
| **Total funds** | | **40,613** | **40,613** | **56,643** | **56,643** |

The deficit for the financial year dealt within the financial statements of the parent charitable company was $16,029,724 (2020 – surplus $1,347,438)

These financial statements were approved and authorised by the board of directors on 19 September 2022 and were signed on its behalf by:

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James Clark
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**James Clark**
*Chair of the Board of Directors*
*Global Innovation Fund*
*Company Registration Number: 09223487 (England and Wales)*

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## Consolidated Cash Flow Statement

*For the year ended 31 December 2021*

| | *note* | Group 2021 USD ($000) | Group 2020 USD ($000) |
|---|---|---|---|
| Net cash inflow from operating activities | (a) | (1,048) | 18,376 |
| Cash flows from investing activities | (b) | 277 | 403 |
| Cash flows from financing activities | (c) | (8,805) | (15,358) |
| Change in cash and cash equivalents in the reporting period | | **(9,576)** | **3,421** |
| Cash and cash equivalents as at 1 Jan | | **31,805** | **28,384** |
| Cash and cash equivalents as at 31 Dec | | **22,229** | **31,805** |

***Cashflow Statement notes:***

**(a) Reconciliation of changes in resources to net cash outflow from operating activities**

| | | |
|---|---|---|
| Net income for the reporting period | (16,030) | 1,347 |
| Impairment of programme related investments | 7,696 | 3,026 |
| Dividends and interest from investments | (291) | (417) |
| Bank charges | 14 | 14 |
| Issuance of programme related grants | 7,460 | 10,533 |
| (Increase)/decrease in debtors | 16 | 3,792 |
| Increase/ (decrease) in creditors | 87 | 81 |
| **Net Cash provided by operating activities** | **(1,048)** | **18,376** |
| **(b) Cash flows from investing activities** | | |
| Portfolio Interest | 288 | 361 |
| Bank and other interest | 3 | 56 |
| Bank charges | (14) | (14) |
| **Net Cash provided by investing activities** | **277** | **403** |
| **(c) Cash flow from financing activities** | | |
| Purchase of programme related investments | (4,092) | (5,009) |
| Exits of programme related investments | 2,747 | 184 |
| Issuance of programme related grants | (7,460) | (10,533) |
| **Net Cash provided by financing activities** | **(8,805)** | **(15,358)** |

*The charity has taken advantage of the exemption available under FRS 102 from the requirement to present a charity-only cash flow statement within the consolidated financial statements.*

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## Notes to the accounts

### 1. Accounting policies

***Company Information:***

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, it's registered address is Wework, 8 Devonshire Square, London EC2M 4PL

***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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

GIF has a 100% owned subsidiary, also called Global Innovation Fund, incorporated in the District of Columbia, United States of America (EIN: 47-4045086). It is a not for profit organisation and therefore has equity of nil, its turnover of $1,606k (2020: $2,056) was provided directly from GIF to cover its operating costs. Its address is 1701 Rhode Island Ave NW, 20036, Washington, United States.

GIF has a second 100% owned subsidiary, GIF Growth Limited (company number 12392232) that was incorporated on 8th January 2020. It has not commenced trading as of end of 2021 but has incurred costs of $125k, resulting from recharges from the parent entity. These costs are reflected in the parent entity accounts as a receivable, but are consolidated out in the Group figures.

No separate SOFA has been prepared for the charity alone, as permitted by Section 408 of the Companies Act 2006. As required by Section 408 (4) of the Companies Act the charity's income for the year was $8,476k (2020 - $24,540k), and its net deficit was $16,030k (2020 - surplus $1,347k). The charity has also taken advantage of the exemptions available under FRS 102 from the requirements to present a charity-only cash flow statement and to present certain disclosures about the charity's financial instruments.

***Going concern***

Trustees have reviewed the latest versions of both the short-term and medium-term financial planning scenarios, paying particular attention to risks to income, operational costs, grant commitments, and the expectations of funders for new investments. The Global Innovation Fund has the flexibility to adapt our financial management, including adjusting the cash-flow profile of disbursals and adjusting operational expenditure as needed, in response to any negative impacts to income levels. Trustees have concluded that there are sufficient reserves held at the time of completion of the audit to create a reasonable expectation that the Global Innovation Fund has adequate resources to continue in operational existence over the 12 months from the date these accounts were signed. Accordingly, the Trustees continue to adopt a going concern basis in preparing the financial statements.

***Basis of consolidation***

The consolidated financial statements include the financial statements of the company Global Innovation Fund and its subsidiary undertakings made up to 31st December 2021. The parent company Global Innovation Fund is based in London and has three subsidiaries - one also named Global Innovation Fund based in Washington D.C, GIF Growth Limited based in London and GIF (Kenya) Limited based in Nairobi. There is also a branch based in Singapore.

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## Notes *(continued)*

***Accounting estimates and judgements***

In preparing the financial statements, management have made judgements, estimates and assumptions that affect both the amounts recorded as revenues and expenses during the period, and amounts recorded for assets and liabilities as at the balance sheet date. However, the nature of estimation means these estimates could differ from actual outcomes. This is especially prevalent in determining the carrying value of GIF's social investments and any need for impairment. The determination of carrying values for early-stage companies is by nature a volatile and uncertain process. Despite the inherent volatility, the guidelines applied to determine whether an impairment is required are considered to result in the best estimate of whether and the amount of any impairment required.

In 2021 GIF adopted a new valuations and impairments policy with a multi stage flow chart and analysis. We start by looking at recent third-party valuations including recent priced investment rounds. Should the carrying value be equal or higher than our book value then no adjustment to book value is made. In the absence of a third-party valuation, we compare performance to budget. Where there is no material deviation, no adjustment to book value is made. Finally, where there has been a material underperformance on budget, we look at the latest business plan and forecasts in order to make an assessment of any long term value impairment. Where there is no material downside in the long term value, no adjustment to book value is made.

***Measurement convention***

The financial statements are prepared on the historical cost basis except for any social investments for which it is considered that a reliable estimate of market value exists. The related financial instruments are classified at fair value through income and expense. Where an accurate estimate of market value is unavailable the investments are stated at cost with an assessment for impairment taken at the year end.

***Foreign currency***

GIF operates in 7 Currencies: US Dollars, Pounds Sterling, Euros, Swedish Kroner, Australian Dollars, Indian Rupees and Canadian Dollars. Transactions in foreign currencies are recognised in the group's statement of income and expense in US Dollars (the functional currency), at the foreign exchange rate ruling at the date of the transaction.

Exchange rates within the accounting system are updated automatically on a daily basis. For the purpose of the first period end, monetary assets and liabilities denominated in foreign currencies at 31st December 2021 are translated to US Dollars at the closing foreign exchange rate ruling on 31st December 2021. Foreign exchange differences arising on translation are recognised in the statement of income and expense.

The functional currency of the subsidiary is US Dollars and therefore no currency difference occurs on consolidation with the group accounts.

***Basic financial instruments***

Trade and other debtors are recognised initially at transaction price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise cash balances and notice deposits, less than three months. The accounting policy for social investments is set out separately below.

***Income recognition***

All income is accounted for when Global Innovation Fund has entitlement, there is probability of receipt and the amount is measurable. For grant income this is usually when the invoice for payment is raised.

Interest receivable on the notice deposits (less than three months) is recognised in the income and expenditure account as they accrue, using the effective interest method. Realised and unrealised foreign currency gains and losses are reported on a net basis.

***Expenses***

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Expenses are recognised on an accruals basis in the period to which they relate.

All costs are allocated to direct charitable activities or raising funds. Support costs are allocated either as direct costs associated with the investment or indirect costs.

***Pension costs***

GIF operates a defined contribution pension scheme for its employees and contributes 10% of gross salary where the employee contributes at least 1%. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

***Fund Accounting***

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes.

***Operating leases***

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Statement of Financial Activities on a straight-line basis over the period of the lease.

***Social Investments***

Social Investments that are loans, equity or convertible loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Fund is able to obtain a reliable estimate of fair value.

An impairment of charge of $7,696k (2020: $3,026k) was recognised in the accounts in relation to the annual assessment of social investments.

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## Notes *(continued)*

### 2. Income

| | 2021 USD ($000) | 2020 USD ($000) |
|---|---|---|
| **Income** | | |
| Government Grants | 6,809 | 19,855 |
| Private Funding | 1,254 | 2,736 |
| | **8,063** | **22,591** |

| | 2021 USD ($000) | 2020 USD ($000) |
|---|---|---|
| **Government income by country** | | |
| Australia | - | 1,534 |
| Canada | - | 1,512 |
| Sweden | 2,584 | 2,508 |
| United Kingdom | 4,225 | 11,301 |
| United States of America | - | 3,000 |
| | **6,809** | **19,855** |

| | 2021 USD ($000) | 2020 USD ($000) |
|---|---|---|
| **Investment Income and other Income** | | |
| Income from investments | 288 | 361 |
| Bank interest on current accounts | 3 | 56 |
| Profit on disposal of investment | 103 | 166 |
| | **394** | **583** |

No government grants that have been recognised in the accounts have any unfulfilled conditions or other contingencies attached and there are no other forms of government assistance from which the charity has benefited.

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## Notes *(continued)*

### 3. Charitable Activities

| | 2021 USD ($000) | 2020 USD ($000) |
|---|---|---|
| **Grants Payable** | | |
| DMI (Development Media International) | 21 | 46 |
| PATH | 414 | 454 |
| DGMT-SmartStart | 250 | 450 |
| Behavioural Insights Team | 135 | - |
| One Acre Fund | - | 3,174 |
| Lively Minds | 1,100 | 468 |
| Education Initiatives | 216 | 282 |
| Ideas42 | 400 | 900 |
| Interactive Research & Development | - | 428 |
| Labeled Remittances | - | 400 |
| Talent Beyond Boundaries | - | 4 |
| IDInsight | 450 | - |
| No Means No Worldwide | 700 | 700 |
| Graduation | 1,500 | 1,500 |
| SwipeRx (formerly mClinica) | 60 | 60 |
| Balloon Ventures | - | 115 |
| Give Directly | - | 800 |
| Babban Gona | 18 | 208 |
| Crime Radar | - | 333 |
| Strong Minds | 400 | 211 |
| BRAC | 910 | - |
| Breakthrough | 253 | - |
| BuildHer | 150 | - |
| MTV Staying Alive | 175 | - |
| Stanford | 308 | - |
| | **7,460** | **10,533** |
| **Impairment of programme related investments** | **7,696** | **3,026** |
| **Staff and other related staff costs** | **5,229** | **5,948** |
| **Other support costs** | **3,367** | **3,295** |
| **Foreign Exchange losses** | **754** | **391** |
| **Total costs directly associated to charitable activities** | **24,506** | **23,193** |

All grants above were made to institutions. All grants were signed for and disbursed within the year.

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## Notes *(continued)*

### 4. Programme-related investments

| | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|
| **Debt** | | | | |
| B/F amount | 2,069 | 2,069 | 1,846 | 1,846 |
| Reclassification | - | - | - | - |
| Additions/Interest accrued | 774 | 774 | 354 | 354 |
| Investments paid back | (1,697) | (1,697) | - | - |
| Impairment charge | (271) | (271) | (131) | (131) |
| C/F amount | 875 | 875 | 2,069 | 2,069 |
| | | | | |
| **Convertible debt instruments** | | | | |
| B/F amount | 3,369 | 3,369 | 2,015 | 2,015 |
| Reclassification | - | - | - | - |
| Additions/Interest accrued | 930 | 930 | 1,354 | 1,354 |
| Disposals | - | - | - | - |
| Debt converted to equity | (1,894) | (1,894) | - | - |
| Impairment charge | (430) | (430) | - | - |
| C/F amount | 1,975 | 1,975 | 3,369 | 3,369 |
| | | | | |
| **Equity** | | | | |
| B/F amount | 19,642 | 19,642 | 19,420 | 19,420 |
| Reclassification | - | - | - | - |
| Additions | 2,388 | 2,388 | 3,300 | 3,300 |
| Disposals | (1,051) | (1,051) | (183) | (183) |
| Debt converted to equity | 1,894 | 1,894 | - | - |
| Impairment charge | (6,994) | (6,994) | (2,895) | (2,895) |
| C/F amount | 15,879 | 15,879 | 19,642 | 19,642 |
| | | | | |
| **Total programme-related investments** | **18,729** | **18,729** | **25,080** | **25,080** |

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## Notes *(continued)*

### 5. Debtors

| | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|
| **Debtors** | | | | |
| Deposits | 103 | 63 | 130 | 91 |
| Prepayments and accrued income | 139 | 388 | 128 | 173 |
| Other debtors | - | 1 | 1 | 1 |
| | **242** | **452** | **259** | **265** |

### 6. Cash at bank and in hand

| | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|
| **Cash at bank and in hand** | | | | |
| Cash in hand | 21,754 | 21,533 | 31,332 | 31,143 |
| Notice deposits (less than 3 months) | 475 | 475 | 473 | 473 |
| | **22,229** | **22,008** | **31,805** | **31,616** |

### 7. Creditors

| | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|
| **Creditors: amounts falling due within one year** | | | | |
| Trade creditors & accruals | 580 | 569 | 498 | 316 |
| Other creditors | 7 | 7 | 2 | 2 |
| | **587** | **576** | **500** | **318** |

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## Notes *(continued)*

### 8. Funds

The restricted funds are received under an agreement with GAC (Canada) and a separate agreement with DFAT (Australia). GAC have stipulated their funds are to be invested in initiatives that have a gender focus. For DFAT, GIF is the Implementation Partner for the Water Data Challenge. Through the Challenge, GIF seeks to source and invest in data-orientated innovations in the water sector which have the potential to cost-effectively improve smallholder farmers' productivity, income, or resilience; or that help to optimise water use at the system, watershed, or basin level so as to enhance resilience or promote inclusive growth. In June 2020 GIF signed a new deal with GAC that will be focused on investing through a gender lens. Restricted funds will be released as and when suitable investments or grants are found, and milestones are met.

| | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|
| **Restricted funds** | | | | |
| Balance brought forward | 5,889 | 5,889 | 2,891 | 2,891 |
| Grant & Other Income | 1,254 | 1,254 | 5,123 | 5,123 |
| Grants & Other Expenditure | (3,242) | (3,242) | (2,125) | (2,125) |
| Increase/(Decrease) in Investments | - | - | - | - |
| Balance carried forward | **3,901** | **3,901** | **5,889** | **5,889** |

| | Group 2021 USD ($000) | Charity 2021 USD ($000) | Group 2020 USD ($000) | Charity 2020 USD ($000) |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| Balance brought forward 1st January | 50,754 | 50,754 | 52,405 | 52,405 |
| Grant & Other Income | 7,222 | 7,222 | 19,417 | 19,417 |
| Grants & Other Expenditure | (13,568) | (13,568) | (18,042) | (18,042) |
| Increase/(Decrease) in Investments | (7,696) | (7,696) | (3,026) | (3,026) |
| Balance carried forward 31st December | **36,712** | **36,712** | **50,754** | **50,754** |
| Total Funds | **40,613** | **40,613** | **56,643** | **56,643** |

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**Notes** *(continued)*

| Fund Balances as at 31st December (Group) | Group 2021 USD ($000) Unrestricted | Group 2021 USD ($000) Restricted | Group 2020 USD ($000) Unrestricted | Group 2020 USD ($000) Restricted |
|---|---|---|---|---|
| Investments | 17,163 | 1,566 | 24,205 | 875 |
| Current Assets | 20,136 | 2,335 | 27,050 | 5,014 |
| Current Liabilities | (587) | - | (501) | - |
| Total Funds | **36,712** | **3,901** | **50,754** | **5,889** |
| | | **40,613** | | **56,643** |

## 9. Auditors remuneration

| | Group 2021 USD ($000) | Group 2020 USD ($000) |
|---|---|---|
| **Included in the statement of financial activities are;** | | |
| Statutory audit fees | 50 | 44 |
| Tax advisory fees | 1 | 2 |
| | **51** | **46** |

## 10. Staff numbers and costs

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

| | Group 2021 USD ($000) | Group 2020 USD ($000) |
|---|---|---|
| **Category** | | |
| Investment | 12 | 14 |
| Analytics | 4 | 5 |
| Legal | 6 | 6 |
| Administration | 13 | 14 |
| | **35** | **39** |
| *The aggregate payroll costs of these persons were as follows:* | | |
| Wages and salaries | 3,847 | 4,435 |
| Social security costs | 359 | 421 |
| Contributions to defined contribution pension plans | 834 | 620 |

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| | | |
|---|---|---|
| Other employee benefits | 203 | 220 |
| Other Staff costs | 11 | 252 |
| | **5,254** | **5,948** |

**Staff banding**

*The number of employees whose total compensation package (excluding pension) exceeded $81k are as follows:*

| | Group 2021 USD ($000) | Group 2020 USD ($000) |
|---|---|---|
| USD | | |
| 81,000 - 93,999 | 3 | 5 |
| 94,000 - 107,999 | 6 | 5 |
| 108,000 - 120,999 | 1 | 2 |
| 121,000 - 134,999 | 3 | 3 |
| 135,000 - 148,999 | 4 | 3 |
| 149,000 - 161,999 | 3 | 1 |
| 162,000 - 174,999 | 1 | 0 |
| 175,000 - 188,999 | 1 | 1 |
| 189,000 - 202,999 | 1 | 3 |
| 203,000 - 215,999 | 0 | 0 |
| 216,000 - 228,999 | 0 | 0 |
| 229,000 - 241,999 | 1 | 0 |
| 242,000 - 254,999 | 0 | 0 |
| 255,000 -267,999 | 0 | 1 |
| 268,000- 280,999 | 1 | 0 |
| 294,000 - 306,999 | 0 | 1 |
| 316,000 - 328,999 | 0 | 1 |
| | **25** | **26** |

The Trustees received no remuneration for their services to the company. The above reflects termination payments made in the year as detailed below.

**Remuneration of Key Management Personnel**

The total compensation package for key management personnel totalled $1,400k (2020: $2,157k). The trustees received no remuneration for their services to the company.

**Termination payments**

Termination payments made during the year were $58,166 (2020: $276,519). These have been included within "Wages and salaries" within the aggregate payroll costs table in note 10 and were accrued at year end

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## Notes *(continued)*

### 11. Financial Instruments

The carrying amounts of the financial assets and liabilities include

| | Group 2021 USD ($000) | Group 2020 USD ($000) |
|---|---|---|
| **Financial Instruments** | | |
| Financial Assets - amortised cost | 39,771 | 55,699 |
| Financial Assets - fair value | 1,187 | 1,187 |
| Financial Liabilities - amortised cost | 587 | 501 |
| | | |
| **Financial Assets** | | |
| Cash | 22,229 | 31,805 |
| Debtors | - | 1 |
| Social investments | 18,729 | 25,080 |
| | **40,958** | **56,886** |
| | | |
| **Financial Liabilities** | | |
| Trade Creditors | 472 | 11 |
| Accruals | 108 | 488 |
| Other creditors | 7 | 2 |
| | **587** | **501** |

As quoted prices are unavailable, the fair value of equity investments has been measured as at the transaction price. An assessment of the investments were made at the year end by the senior management and an impairment charge of $7,696k (2020: $3,026k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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## Notes *(continued)*

### 12. Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

| | Group 2021 USD ($000) | Group 2020 USD ($000) |
|---|---|---|
| **Operating Leases** | | |
| not later than one year | 257 | 693 |
| later than one year and not later than five years | - | 62 |
| later than five years | - | - |
| **Total annual commitments** | **257** | **755** |

Within the financial statements are lease payments totalling $758k (2020: $937k)

### 13. Funding Commitments

Amounts related to programme related investments (grants) contracted for but not provided in financial statements amounted to $10,532k (2020: $19,773k) for the group and the company. If all conditions relating to each grant were met, the following amounts will be due.

| | 2021 Grant Commitments | 2021 Risk Capital Commitments | 2021 Total |
|---|---|---|---|
| 2022 | 5,557,480 | 2,441,357 | 7,998,837 |
| 2023 | 1,829,644 | - | 1,829,644 |
| 2024 | 703,130 | - | 703,130 |
| 2025 | - | - | - |
| **Total annual commitments** | **8,090,254** | **2,441,357** | **10,531,611** |
| Total annual commitments as at 1st January 2021 | 14,240,861 | 5,532,229 | 19,773,090 |
| FX Movement in 2021 | 101,921 | (388,964) | (287,043) |
| Commitments made in 2021 | 1,207,201 | 1,102,166 | 2,309,367 |
| Payments made in 2021 | (7,459,729) | (3,804,074) | (11,263,803) |
| Total annual commitments at 31st December 2021 | **8,090,254** | **2,441,357** | **10,531,611** |

Neither the group nor company have any contingent liabilities as at the balance sheet date.

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## Notes *(continued)*

### 14. Trading activities of subsidiary

Global Innovation Fund, a non-profit subsidiary, is registered in the US (FEIN 47-4045086), located in Washington DC had the following results to 31/12/2021.

Global Innovation Fund is the sole member of the US entity and has certain governance rights under its articles and by laws, including, but not limited to, appointing board members.

The US entity carries out administrative activities such as employing US based staff and leasing premises to further the objectives of the parent entity.

| | 2021 USD ($000) | 2020 USD ($000) |
|---|---|---|
| **Income & Expenditure** | | |
| Total support received & revenue | 1,671 | 2,116 |
| Total expenses | (1,671) | (2,116) |
| | | |
| **Balance Sheet** | | |
| Assets | 260 | 228 |
| Liabilities | (260) | (228) |
| | - | - |

### 15. Defined contribution scheme

The group operates a defined contribution pension scheme. The total expense relating to this scheme amounted to $834k (2020: $620k) during the period which has been charged to the Statement of Financial Activities. The contributions were paid using unrestricted funds.

### 16. Related party disclosure

*Trustees*
None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

*Trustees expenses*
One of the Trustees have claimed expenses or had their expenses met by the charity, these are related to flights, accommodation and subsistence for board meetings. These costs total $14,908 (2020: $4,465)

*Employees*
There were no loans issued to employees in year and none outstanding at year end (2020: none)

*Subsidiary*
GIF gave $1,700k (2020: $1,700k) to its subsidiary located in Washington DC to fund its administration expenses. $201k (2020: $416,293) of expenses were paid by GIF on behalf of the US subsidiary and $230k of previously provided funds were utilised by the subsidiary. The subsidiary had assets of $259,980 and liabilities of $259,980 at 31 December 2021, giving total net assets of $Nil. At the year end, the subsidiary owed GIF $nil (2020:nil).

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## 17. Post balance sheet events

On 5th July 2022, one of our investees repaid the outstanding £262k balance on the £2.1m Revolving Facility Agreement and requested a cancellation of the agreement. This facility was due to expire at the end of 2022. As a result there is a material reduction in the Risk Capital Commitments going forward.

On 27th July 2022, we issued a notice of default to an investee, cancelling the investment and demanding full repayment of $460k. The investee has acknowledged the notice of default and agreed to repay the sum in three instalments by the end of 2022. The first repayment of $78,376 was received on August 15th. Should we recover the full sum we will reverse the impairment charge of $230k that is taken in 2021.

On 2nd September 2022, GIF and Anglo American provisionally agreed to terminate their funding agreement, which will result in the return of undisbursed cash on account to Anglo American, subject to contract. We currently estimate this to be less than $1m.

**GLOBAL INNOVATION FUND**

England & Wales - Charity number 1171353

# Accounts

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# Report and Audited Financial Statements for the year ended 31st December 2020

Company registration number 09223487 (England and Wales)
Charity registration number 1171353

DocuSign Envelope ID: DEF9AE90-170B-4A48-8499-F00DE5CA76A6



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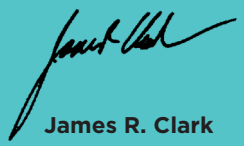
**It gives me great pride to present this summary report of the Global Innovation Fund's impact in 2020, a year of unprecedented economic and societal hardship across the world. In addition to impact, the report details GIF's commitment to generating and measuring evidence, responding to COVID-19, and placing gender at the heart of its investing.**

GIF is a non-profit investment vehicle that backs innovations that improve the lives of low-income people around the world. GIF takes an evidence-based venture capital approach – not to maximise its own profits, but to maximise the social benefits it creates. GIF does this by investing in early-stage innovations that are risky but which, if successful, offer prospects of large benefits to millions of people. Through grants, loans and equity investments ranging from $50,000 to $15 million, GIF investments have the potential for social impact at a large scale, whether they are new technologies, business models, policy practices, or behavioural insights. As our portfolio grows and matures, we are beginning to see some exciting results, and these are featured in this year's report.

The support of our funding partners, including their advocacy for the innovators and entrepreneurs we back within the development community, is critical to our success. Among many examples of this, under USAID's leadership of the Million Lives Club, which celebrates innovations that have benefitted 1,000,000 people or more, GIF's partners BRAC, Simprints, Educate! and One Acre Fund have been recognised as examples of taking innovation in international development to scale. We are especially pleased that this scale comes with rigorous evidence of impact alongside randomised controlled trials backed by GIF in several cases.

I am delighted to have joined the GIF Board and to welcome two exceptional colleagues – James Habyarimana, the Provost Distinguished Associate Professor at Georgetown University's McCourt School of Public Policy, and Kathryn Kaufman, former Chief Strategy Officer for the US International Development Finance Corporation. I also want to take this opportunity on behalf of everyone at GIF to thank our departing board members including Jack Hawkins, former senior advisor from USAID, for his wise guidance and Elizabeth Peak, from the Australian Department for Foreign Affairs and Trade, or DFAT. Elizabeth's insight and expertise enabled us to deepen and develop our focus on the Indo-Pacific region as we move towards the launch of our Singapore office, and we look forward to working with her successor, Robert Christie, to continue to advance GIF and DFAT's joint commitment to investing for social impact.

I must also acknowledge the tremendous contribution of my predecessor as Board Chair, and one of the original founders of GIF, Sal Giambanco, who completed his term as Chair and retired from the Board at the end of 2020. It is due in large part to his passion and guidance that GIF has delivered on its mandate to accelerate innovation for development impact.



**James R. Clark**
Chair, Board of Directors

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**As I look back on the past 12 months, I feel a great sense of pride for the way in which the GIF team has responded to one of the most unique and challenging crises in modern history.**

The impact of COVID-19 has been, and continues to be, profound. The health and economic effects of the pandemic have been felt throughout the world, with no country spared, but it is clear that the worst consequences have been borne by the poorest and the most vulnerable. As we look towards driving recovery and improving livelihoods in the months and years ahead, the importance of evidence-backed innovation has never been greater.

We worked to protect our portfolio as part of our strategic pandemic response. Innovators across the GIF portfolio have been hit hard by COVID-19, whether through more or less demand for their products and services, the health and wellbeing of their staff and their customers, or in some case broader economic or regulatory factors. It is with this in mind that we focused in 2020 on working closely with the organisations in our portfolio to support them as they navigate these unprecedented challenges. We have carried out this work based on the needs of individual portfolio organisations rather than through a 'one size fits all' approach – in some cases we've provided more venture support or technical assistance, and in other cases it has been funding, depending on the specific needs of the innovators. We have also changed our grant timelines to ensure that our grantees can pivot and respond directly to the pandemic through specific COVID-19 activity in the countries in which they are operating.

We leveraged the GIF model to respond to the pandemic. We redirected our energy and resources towards investing in innovation that explicitly responds to the worst effects of the pandemic, working with partners to combine behavioural nudges with stay-at-home messaging, to improve the quality of information that pharmacies have about the virus, and to track infections and outbreaks in novel ways in low-income settings, to give a few examples.

Alongside our pandemic response work, I am also hugely proud of the progress we have made in advancing our commitment to gender equality including our progress in integrating gender into our Practical Impact methodology for measuring impact, which you can read about in this report. I want to take this opportunity to thank Global Affairs Canada, whose partnership through the Innovating for Gender Equality Fund, which invests in scalable innovations that empower women and girls by targeting social norms and structural underpinnings of gender inequality, has inspired us to challenge ourselves to ensure that a commitment to gender equality runs through all that we do.

Looking towards 2021 and beyond, we know that the challenges ahead are as great, and perhaps even greater, than those that we have overcome. With our flexible model, sector agnosticism, and appetite for experimentation and smart risk, GIF will continue to play its part in the worldwide response to the pandemic. Our underpinning philosophy, improving the lives of the world's poorest people by accelerating innovations and measuring impact, remains the same.



**Alix Peterson Zwane PhD**
Chief Executive Officer

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# Year in review

**51 innovations**
delivering impact

**4 percent**
expected annual improvement in livelihood of beneficiaries

**7 companies**
have raised $ from strategic/commercial investors

**$100 million**
committed to investments

**$4.40**
additional capital mobilised per $1 of GIF for-profit investment

**>400 million**
social value generated in $ by five GIF investments alone

**130 million**
people expected to benefit from GIF innovations by 2030

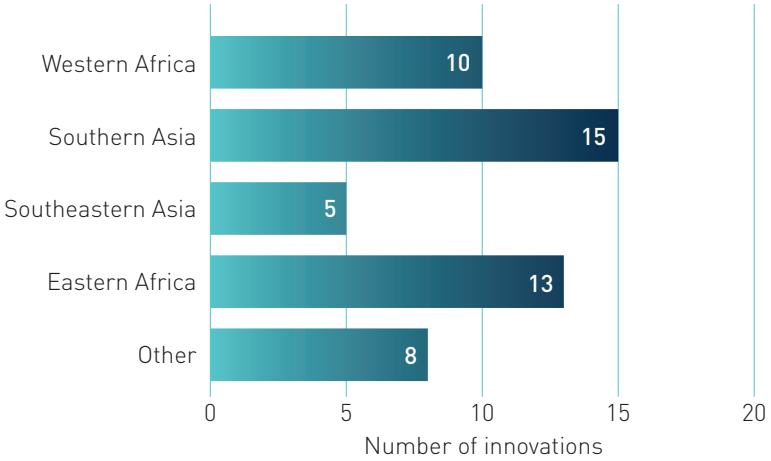
**1.7x**
average exit multiple on first two exits (19% IRR)

**~200x greater**
projected catalytic impact of GIF portfolio vs. cash transfers

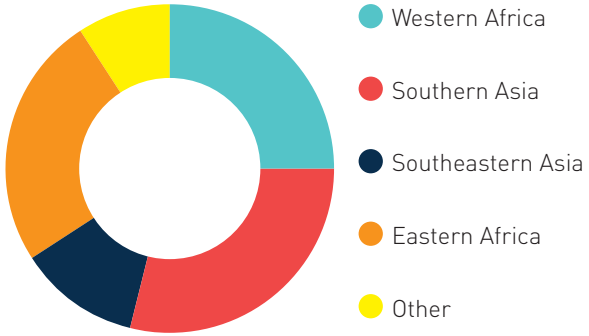
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# Measuring impact

## Innovations by region

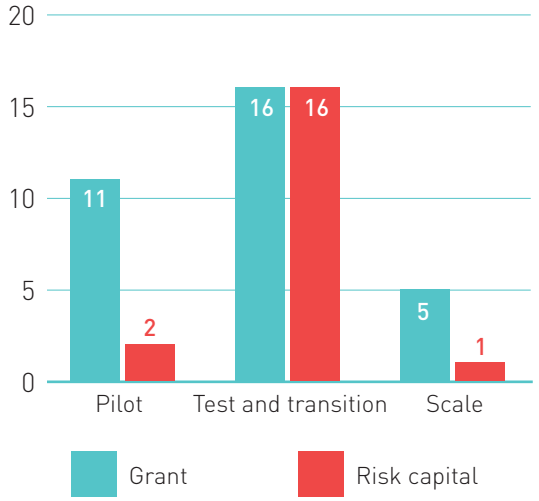



## Value of GIF commitment by region

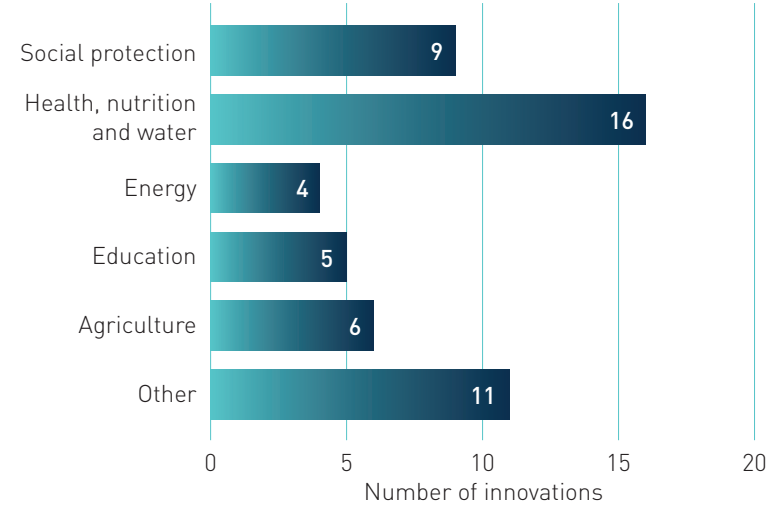



Total: $100,864,102

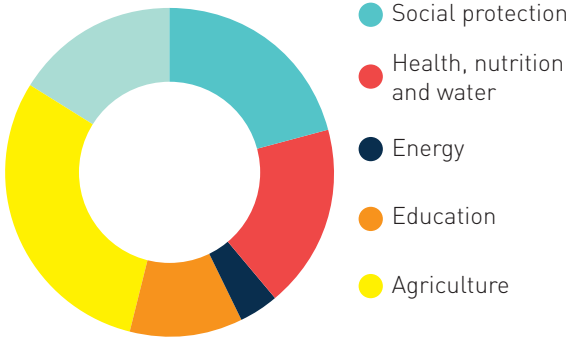
## Funding stage and instrument




## Innovations by sector




## Value of GIF commitment by sector




Total: $100,864,102

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## Trustees, Officers and Advisers

### Trustees

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

- Darren Welch
- Kanini Mutooni (Chair of the Board, resigned effective 19th March 2020)
- Jack Hawkins (resigned effective 31st December 2020)
- Jane Siebels
- Michael Anderson (resigned effective 19th March 2020)
- Salvatore Giambanco (appointed as Chair of the Board effective 19th March 2020, resigned 31st December 2020)
- Santhosh Mathew
- Sarah Pearson (resigned effective 6th March 2020)
- Vel Gnanendran (resigned effective 21st April 2020)
- James Clark (appointed 6th March 2020, appointed as Chair of the Board effective 31st January 2021)
- James Hayarimana (appointed 6th March 2020)
- Kathryn Kaufman (appointed 11th November 2020)
- Robert Christie (appointed 1st January 2021)
- Amanda Glassman (appointed 1st January 2021)

### Key management personnel

| | |
|---|---|
| Chief Executive Officer | Alix Peterson Zwane |
| Chief Strategy & Legal Officer | Amélie Baudot |
| Chief of Staff and VP | Garreth Spillane |
| Senior Managing Director | Hashim Mulangwa Wasswa (appointed 1St June 2020) |
| Chief Analytics Officer | Kenneth Chomitz |
| Senior Managing Director | Sarah Alexander (resigned 31st December 2020) |
| Chief Financial Officer | Simon Jones (resigned 31st December 2020) |

### Professional advisors

| | | |
|---|---|---|
| Auditors | Crowe U.K. LLP | 55 Ludgate Hill, London EC4M 7JW |
| Bankers | Barclays Bank Plc | 1 Churchill Place, London E14 5HP |
| Solicitors | Bates Wells Braithwaite LLP | 10 Queen Street Place, London, EC4R 1BE |

### Address of principle office

Global Innovation Fund's priniciple and registered office has the same address;

8 Devonshire Square

London

EC2M 4PL

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## Trustees' Report

The Trustees present their report, the directors' report, and consolidated financial statements for the year ended 31st December 2020.

Under the Charities Act 2011 and the Companies Act 2006 the Directors' Report and Strategic Report are included within the Trustees Report.

**Business review and future developments**

This has been discussed in the Strategic Report section.

The Board has delegated responsibility for GIF's investment selection (i.e., the selection of innovative investments to further GIF's mission) to the CEO and staff team, as outlined in GIF's, Byelaws and scheme of delegated authorities.

**Directors Report**

**Appointment of Trustees**

GIF's Articles of Association and Byelaws set out guidance on the composition of the Board of Trustees who are the Directors as defined under the Companies Act. The Board is entirely non-executive and is comprised of a majority of Trustees that are independent of any GIF funder ("A" Trustees). "A" Trustees are recruited from the following fields: private sector, civil society, the public sector and academia. They are formally appointed by the Board following approval by the Members. "A" Trustees serve for three-year terms with possible reappointment.

The Board also includes seats for Trustees that are elected by GIF's funders ("B" Trustees). "B" Trustees are elected at the start of each three year funding cycle of the charity.

The Trustees meet formally each quarter.

The Trustees have delegated day-to-day management of GIF to its Chief Executive Officer and her senior management team. The Board has also delegated authority to the Audit & Finance Committee and the Human Resources Committee, and has constituted an advisory Development Committee. Each of these committees reports back to the Board quarterly and makes recommendations to the Board for approval as necessary.

The Trustees review and approve as applicable on an annual basis:

- the annual budget and operating plan for the charity;
- the charity's financial results and variances from budget;
- the charity's key performance indicators;
- the charity's investment and grant portfolio and any major risks associated with the projects.

The Trustees also regularly review the charity's risk register. The Audit & Finance Committee of the Board receives quarterly updates from senior management on risks and ensures that appropriate controls are in place to mitigate those risks.

**Induction and training of new Trustees**

Each new GIF Trustee is briefed on the role of a Trustee and a Director under Charities Law and the Companies Act. They are provided with copies of relevant Charity Commission guidance and the charity's organisational documents. The Trustees also receive training on Trustee and Director duties and responsibilities, anti-bribery and corruption and conflicts of interest.

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**Pay and remuneration**

The Human Resources Committee (appointed by the Board) is responsible for setting strategies relating to human resource needs for the charity and oversees the charity's compensation philosophy. The HRC makes a recommendation to the Board regarding the CEO's annual compensation. The CEO is responsible for setting the terms of remuneration for senior management.

Every year all staff go through an annual review looking at their performance against their objectives set at the start of the year. Pay increases are then dependable on the performance rating of each staff member.

**Related Party**

None of the Trustees receive remuneration or other benefit from their work with the charity, although expenses are paid. Any connection of a Trustee with a request for financial assistance under discussion will be disclosed at a Board of Trustees meeting in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

Details of Trustee expenses are disclosed in Note 16 to the accounts.

**Auditor**

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

## Strategic Report

This strategic report for the GIF's sixth full financial year covers the full financial period from 1st January 2020 to 31st December 2020, and includes information in the 'year in review' and 'measuring impact' sections on pages 5 and 6.

GIF was incorporated on 17th September 2014 as a company limited by guarantee. GIF has a 100% owned subsidiary, also called the Global Innovation Fund, incorporated in District of Columbia, United States of America, on 9th April 2015. This subsidiary began operations on 13th April 2015.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

**Statement of public benefit**

GIF was granted charity status with the Charity Commission for England and Wales on 27th January 2017 with the charity number 1171353. The Articles of Association were adopted on 28th November 2016.

GIF is a non-profit organisation whose activities are intended to be for the public benefit. In both setting out the objectives and planning future activities, the Trustees have had due regard to the Charity Commission's guidance on public benefit.

Over this reporting period, and in line with the goals, GIF has approved investments in a broad range of innovations across the developing world, covering the three themes of making public services work for the poor, creating productive jobs and easing market frictions and enhancing agency for women and girls.

**Aims and purpose of the Charity**

GIF's mission is:

- To support innovations that could scale up to benefit millions of people now living on less than $5/day; and
- To improve the overall impact of development expenditure - public and private, international and domestic - by demonstrating the effectiveness of outcome-oriented, evidence-based investment.

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GIF aims to support the global public good of generating innovations that will collectively open up opportunities and improve lives for hundreds of millions of people across multiple developing countries. To accomplish this, GIF seeks to accelerate the development, rigorous testing and scaling of cost-effective innovations, in particular by:

- providing an open global innovation platform to support piloting and testing new innovations for the world's poor in developing countries, including both those that could scale commercially and those that could scale through funding by developing country governments, donors, and philanthropy;
- providing grants and making risk capital investments to support the transition to scale of:
    - innovations designed to scale commercially that have passed a market test, and;
    - innovations designed to scale through public or philanthropic support that have rigorous evidence of impact and cost effectiveness; and
- generating significant evidence, lessons, and knowledge to share with partner institutions as well as the broader development community.

**Investment Policy**

GIF supports innovations that benefit people living on less than the equivalent of US$5 per day in developing countries, and is especially interested in innovations that impact people living on less than US$2 per day.

GIF defines "innovation" as any solution that has potential to improve the lives of the poor in developing countries more effectively than existing approaches. This includes new products or services, policy practices, business models, operational or production processes, behavioral insights, or ways of delivering products and services that benefit the poor, across all relevant sectors. These innovations could come from social enterprises, for-profit firms, non-profit organisations, researchers, academics, government agencies or any other relevant institution or individual.

GIF seeks to fill market gaps, and is especially interested in supporting promising innovations that may otherwise struggle to find appropriate forms of funding for objectives that align with GIF's, e.g. piloting development innovations, gathering rigorous evidence of impact or achieving greater scale.

**Grants**

GIF works with a wide range of institutions to fund specific research projects. Payment of grants is conditional upon the performance of key tasks. Where such tasks remain incomplete, payment is witheld. GIF operates an annual review process whereby grants are reviewed to ensure progress is being made and the programme complies with expectations before continuing payment is confirmed. As a result, the first payment of each grant is made up front, with further payments contingent on the above policy.

**Reserves Policy**

The approved reserves policy intends to ensure GIF is in a position where it holds sufficient working capital to fulfil short-term contractual and constructive investment commitments, as well as sufficient funds to cover medium term operational expenditure. The Reserves Policy is approved by the board in line with the requirements of GIF's donor governments. The charity aims to have free reserves in the range of $10-20m to stay in line with the approved policy taking into account the variable investment commitments it makes in the year.

GIF holds free reserves for the following purposes; operational expenses and working capital.

**Investment Commitments**

GIF intends to hold sufficient funds to fulfil any disbursements relating to contractual and constructive obligations falling due in the proceeding nine months. This will ensure that GIF has the necessary funds on hand as and when they are required for disbursement at a future date. Contractual obligations are all those arising from GIF's existing investment portfolio. For the purpose of this reserves policy, GIF will consider constructive obligations to be those arising from investments post external review that are likely to be signed in the short-term. Current levels of investment commitments are shown in note 13 to the accounts.

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**Operational Expenses**
Operational expenses are those incurred through the course of running GIF's offices, employing staff and making investments. The medium-term value of reserves will relate to twelve months' costs as per the most recent operational budget or forecast.

**Working Capital**

In addition to the funds described above, GIF will hold a minimum level of working capital of $5 million, in order to accommodate any investment activity beyond the time horizons indicated and any unforeseen costs.

| | |
|---|---|
| Total Funds at 31st December 2020: | $56.6m |
| Less: | |
| Restricted Funds | ($5.9m) |
| Investments | ($25.1m) |
| Funding Commitments | ($19.8m) |
| Free Reserves Balance | $5.8m |

Free reserves are compliant with the approved policy.

**Financial Review**

GIF's income from its funders increased from $18,972k in 2019 to $22,591k in 2020. Income consisted of two new private funders in addition to receipts from existing Government and private donors. There was further funding of $1,511k (2019: nil) received for project specific investments, in addition to existing unused funding held on the balance sheet as restricted funds. Investment income increased marginally from $548k to $583k.

During the year $4,648k of new risk capital investments (Debt, Equity or Convertible Debt) were made. At the end of the year an in-depth review of our investments was undertaken. It was decided that writedowns, totalling $3,026k (2019: $1,268k) were necessary due to uncertainties around various aspects such as going concern. The impairment losses are included within Charitable activies in the Statement of Financial Activities.

Total funds as at the end of the year was $56,643k (2019: $55,296k) of which $5,889k (2019: $2,891k) was restricted.

**Review of the group's operations**

Our goal at GIF is to find, fund, and scale-up cost-effective, evidence-based innovations that have the potential to measurably improve the lives of millions of people in the developing world.

We believe that the best ideas for solving some of the world's most critical problems can come from anyone, anywhere. Through our grants and risk capital, we help breakthrough solutions to global development challenges from social enterprises, for-profit firms, non-profit organizations, researchers, and government agencies to maximize their impact and affect meaningful change.

We support innovators at all stages of development, from start-up and pilot-testing through to larger scale implementation - the innovations we fund can be located in any developing country and can focus on any sector relevant to international development, provided they are committed improving the lives of those living on less than $5 a day.

When thinking about where to invest, we look for promising entrepreneurs and seek to become their early partners as they test, adapt and improve their business model, before they are big enough to work with development finance institutions. We can also support experimentation and evidence gathering in domestic resource mobilization, such as in increasing tax compliance in developing countries or supporting remittance flows.

During this time:

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- We have continued to build a high quality portfolio of investments and grown our pipeline of possible investees to ensure that we are able to continue to invest in innovations with the potential to transform the lives of people living on $5 a day or less.
- We have refined and implemented our Practical Impact model to rigorously assess the potential impact of our portfolio pipeline. This model is used across our work notably for project selection and appraisal (which proposals offer the highest impact per dollar), for tracking long-run portfolio performance, and in balancing rigour with practicality.
- We have continued our engagement with potential new funders who align with GIF's impact first, evidence-based investment approach. These conversations will continue in 2021 as GIF seeks to mobilise additional capital in pursuit of social returns.
- GIF has become a sought-after thought partner within the aid and development sector as policymakers and practitioners seek to address the financing needs of social entrepreneurs in the developing world.

In response to COVID-19:

- We worked to protect our portfolio as part of our strategic pandemic response. Innovators across the GIF portfolio have been hit hard by COVID-19, whether through more or less demand for their products and services, the health and wellbeing of their staff and their customers, or in some case broader economic or regulatory factors.
- We focused on working closely with the organisations in our portfolio to support them as they navigate these unprecedented challenges. We have carried out this work based on the needs of individual portfolio organisations rather than through a 'one size fits all' approach.
- In some cases we have provided more venture support or technical assistance, and in other cases it has been funding, depending on the specific needs of the innovators. We have also changed our grant timelines to ensure that our grantees can pivot and respond directly to the pandemic through specific COVID-19 activity in the countries in which they are operating.
- We leveraged the GIF model to respond to the pandemic. We redirected our energy and resources towards investing in innovation that explicitly responds to the worst effects of the pandemic, working with partners to combine behavioural nudges with stay-at-home messaging, to improve the quality of information that pharmacies have about the virus, and to track infections and outbreaks in novel ways in low-income settings.

Throughout the year we have achieved the following results:

- We grew the potential impact of our portfolio: GIF innovations are expected to impact 130m people and generate 3.5m-7m Person-Years of Income (PYI) annually by 2030.
- We signed new partnership agreements with Dutch philanthropic foundations Sint Antonius Stichting-Projecten and Dioraphte;
- We signed a renewed funding partnership with the Australian Department of Foreign Affairs and Trade;
- We have further developed our relationship with funding partners through improved financial management, more rigorous analysis, and closer collaboration in our investment process.
- We projected that our portfolio will have a catalytic impact ~200x greater than cash transfers;
- We calculated that just five GIF-funded innovations have generated more than $400m in social value; and
- We advanced our commitment to gender equality by:
    - Building gender metrics into our measurement of impact so we can better understand where to deploy our resources most effectively.
    - Incorporating a gender lens and gender analysis into our investment process; and
    - Developing online tools to help and encourage innovators and entrepreneurs to place gender equality at the forefront of their own thinking.

We also made good progress against our objectives throughout the course of 2020:

- Despite the challenging year we added seven new investments to our portfolio, provided follow-on funding to eight innovators, and provided two venture support grants, through an investment process that maintained its focus on the use of evidence, smart risk-taking and the generation of social value.

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- We devoted much of our resources to COVID-19-related grant-making, accelerating innovation and learning about mitigating the health and economic costs of the pandemic in developing countries, as well as working to protect the social value of its existing portfolio of innovations.
  We refreshed our Open Window application process to improve the experience for our online applicants, including a new pre-application checklist and an updated "What we Fund" section.
- We pivoted to COVID-19 response, reprioritising resources toward COVID-related investing while successfully protecting the resilience of its existing portfolio through additional venture support, technical assistance, additional funding and more flexible timelines.
- We strengthened our position as a thought leader on gender-inclusive investment, expanding our Practical Impact tool to appropriately account for women's agency and to quantify the gender equality outcomes of its investments.

**Principal risks facing the group**

The table below outlines key organisational risks faced by GIF in achieving its mission, and what we're doing to mitigate those risks.

| Risk | Explanation/example | Management and mitigation |
|---|---|---|
| Political Risk | Global political or economic uncertainty | Active engagement with donor governments and broader bilateral and multilateral engagement, including focus on securing new donor relationships. |
| Cash Flow Risk | Funding fluctuations by donor governments | GIF is funded by reputable development agencies on a multi-year basis with a reporting system in place to manage funding inflows |
| Impact risk | Portfolio fails to generate expected social impact, including as a result of COVID-19 | Rigorous due diligence and investment process, active portfolio management, and understanding the market context in which portfolio organisations operate |

These risks have, so far, proved manageable. A fully-encompassing corporate risk register is updated and reviewed by the Audit and Finance Committee and the wider Board of Trustees.

**Looking ahead & the impact of Covid-19**

The priorities we chose for 2020 served us well. As well as making a record number of investments, we directly contributed to pandemic response and supported our companies so that all of them weathered the immediate liquidity crunch of 2020 economic disruption.

It is also true that our ambition was scaled back in some respects, as was the case for organisations across the development community in the face of such huge economic upheaval. Foreign direct investment fell significantly, tax revenue shrunk, and basic relief had to take precedence over other goals. In 2021, our goal is to build back this ambition, and, crucially, to make the case for innovation in modern, post-pandemic international development.

Decades of progress in lifting people out of poverty has been wiped out in the past year, leaving, tragically, more people now in our target market than there have been in recent memory. We cannot take decades more to regain this ground.

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We must find ways to move faster, and do so in a world with very different aspirations around a range of topics, from gender equality to carbon neutrality, than we had in 1990. In a time of tight budgets, investing in innovation in international development pays off, and GIF's portfolio is a demonstration of this:

- Between 2015 and 2020, these five early investments have generated more than $400 million in social benefits. We calculate that $84 million in social benefits is directly attributable to GIF's investment. The cost of GIF's early 38 investments totalled $109 million, which means that just five of GIF's investments have already returned social benefits equivalent to three-quarters of the portfolio costs.
- With modest assumptions, projecting out five years, the five GIF investments will have generated $209 million. This corresponds to a social rate of return of 34%. USAID's DIV has found similarly high rates of return to their work. Our overall portfolio catalytic impact is around 200 times that of cash transfers. Investing in innovation is a highly impactful use of development resources.

No matter what these data points show, there is no guarantee that innovation will be central to the development agenda. Innovation is risky, at a time when leaders have less appetite for the unknown. Global health security seems paramount. The downside of experimentation seems so salient. We believe that to retreat from innovation and experimentation would be a tragic mistake, leaving more people poorer and more insecure, for longer.

To do our part to make the case for innovation in modern, post-pandemic international development, we have set three priorities for GIF to guide our work throughout the year ahead:

**Build back ambition**

The international community must meet the challenges of development in 2021 with ambition. Not only will there be ambitious targets around vaccination, but global leaders must have ambitious goals for economic recovery. GIF can, and will, be part of this. Looking inward, we will build back our own ambition, restarting investing outside of pandemic response, return to building a returnable capital vehicle that can make long-term, concessional investments to support high-impact companies on their path to securing commercial financing, and aligning our work with the climate change agenda.

**Assemble our proof points**

Making the case for innovation in the post-pandemic development assistance landscape requires evidence, and proof points, to back the claim that this is high-value, scalable, and responsive in a changing world. We are well placed to make this argument.

For GIF, proof points are the evidence that we are who we say we are and that we are evidencing that innovation can accelerate development outcomes. Five years in, we are more ready than ever to move from talking about our potential to talking about our results. We will walk the talk as strong investors in impact, generating outsized social value, and continue to be a great partner for governments and other impact oriented investors. We will make this evidence transparent, accessible, and compelling.

**Harvest returns**

We are entering our next stage of maturity and we want not only to gather those proof points of success, including impact and lessons we've learned, but to show that proof to our partners and tell the credible and compelling story of what we have, and can still, achieve. This year we will not only nurture but also actively generate financial returns, social impact, and other sources of value, and leverage our portfolio, track record, and relationships to achieve our 2021 deliverables. This does not mean that we turn away from our impact-first stance: impact is the primary return we seek.

**2021 and beyond**

Since March of last year our focus has been firmly on protecting the social value that our portfolio generated before the outbreak of COVID-19, responding to the pandemic by investing in innovations that directly address the worst health and economic effects on the world's poorest people, and demonstrating our resilience and our ability to respond to emergent development challenges.

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Looking towards 2021 and beyond, we know that the challenges ahead are as great, and perhaps even greater, than those that we have overcome to date. The organisational priorities that will guide our work during the next 12 months reflect our commitment to building on the contribution we have already made to the global COVID-19 response, and advocating for the critical role that innovation should play in modern, post-pandemic international development.

**Goals Key Objectives**

1. **One Mission: Multiple Vehicles:** GIF "core"; GIF Growth; and the Advance Fund: We have recognised that GIF's unique model can support not only the deployment of Official Development Assistance but also create unique impact for (i) pools of returnable capital that are being invested in more traditional impact investors and (ii) corporate social responsibility funds.

2. **One Mission: One Deal Team:** The power of the GIF team is that we bring together rigorous economic analysis grounded in evidence, a deep understanding of the context in which our innovations can scale, financial acumen, a venture mind-set, and an ability to take smart risks. We have learned that the key to unlocking the power of this combination is to structure ourselves in a way that draws on the resources from across the GIF team and breaks down organisational silos.

3. **Enhancing the Agency of Women and Girls:** With its gender sub-fund, GIF will continue to apply, and improve on, the gender lens that it brings to all its investments, mainstreaming gender analytics into deal selection, diligence, and venture support. We will continue to partner with world-leading gender experts to grow our expertise and build a portfolio that prioritises gender equality outcomes.

4. **GIF will invest where the world's poor live and in innovations that matter to them:** We will strategically complement our commitment to open innovation by deepening our expertise in markets where we have traction and where our capital can catalyse additional investment.

## Statement of Trustees' Responsibilities

The Trustees (who are also Directors of Global Innovation Fund for the purposes of Company Law) 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 Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees 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 charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for

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safeguarding the assets of the 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 auditors are unaware;
- the Trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are 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.

*The Trustee's Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees, including in their capacity as company directors approving the Strategic Report continued therein, and is signed as authorised on its behalf by;*

Wework, 8 Devonshire Square, London, EC2M 4PL

DocuSigned by:
James Clark
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**James Clark**

*Chair of the Board of Directors*
*Global Innovation Fund*

23 July 2021

Date: …….

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## Independent Auditor's Report to the Members of Global Innovation Fund

### Opinion

We have audited the financial statements of Global Innovation Fund ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise The Consolidated Statement of Financial Activities, The Consolidated and Charity Balance sheets, The Consolidated Cash Flow Statement 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 Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 December 2020 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 group 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 the charitable company's or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared

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for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial

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statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), taxation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of income, grant expenditure, valuation of social investments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**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.

DocuSigned by:
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Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

26 July 2021

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## Consolidated Statement of Financial Activities

*For the year ended 31 December 2020*

| | *note* | Unrestricted Funds 2020 USD ($000) | Restricted Funds 2020 USD ($000) | Total Funds 2020 USD ($000) | Total Funds 2019 USD ($000) |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Charitable activities - Grants | *2* | 17,468 | 5,123 | 22,591 | 18,972 |
| Investment & Other Income | *2* | 583 | - | 583 | 548 |
| Other income - Foreign exchange gain | | 1,366 | - | 1,366 | 373 |
| **Total income** | | 19,417 | 5,123 | 24,540 | 19,893 |
| **Expenditure on:** | | | | | |
| Charitable activities | *3* | (21,068) | (2,125) | (23,193) | (19,312) |
| **Total expenditure** | | (21,068) | (2,125) | (23,193) | (19,312) |
| **Net movement in funds** | | (1,651) | 2,998 | **1,347** | **581** |
| **Reconciliation of funds:** | | | | | |
| *Total funds brought forward as at 1st January 2020* | | 52,405 | 2,891 | 55,296 | 54,715 |
| *Total Funds carried forward as at 31st December 2020* | | **50,754** | **5,889** | **56,643** | **55,296** |

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## Consolidated and Charity Balance Sheets

*As at 31 December 2020*

| | *note* | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Investments | 4 | 25,080 | 25,080 | 23,281 | 23,281 |
| **Total fixed assets** | | **25,080** | **25,080** | **23,281** | **23,281** |
| **Current assets:** | | | | | |
| Debtors | 5 | 259 | 265 | 4,050 | 4,230 |
| Cash at bank and in hand | 6 | 31,805 | 31,616 | 28,384 | 28,135 |
| **Total current assets** | | **32,064** | **31,881** | **32,434** | **32,365** |
| **Liabilities:** | | | | | |
| **Creditors:** amounts falling due within one year | 7 | (500) | (318) | (419) | (350) |
| **Net current assets** | | **31,564** | **31,563** | **32,016** | **32,016** |
| **Total net assets** | | **56,643** | **56,643** | **55,296** | **55,296** |
| **The funds** | | | | | |
| Restricted | 8 | 5,889 | 5,889 | 2,891 | 2,891 |
| Unrestricted | 8 | 50,754 | 50,754 | 52,405 | 52,405 |
| **Total funds** | | **56,643** | **56,643** | **55,296** | **55,296** |

The surplus for the financial year dealt with in the financial statements of the parent charitable company was $1,347,438 (2019 - $580,810)

These financial statements were approved and authorised by the board of directors on 28 June 2021 and were signed on its behalf by:

DocuSigned by:
James Clark
951FB70A3A2F4BE...

**James Clark**
*Chair of the Board of Directors*
*Global Innovation Fund*
*Company Registration Number: 09223487 (England and Wales)*

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## Consolidated Cash Flow Statement

*For the year ended 31 December 2020*

| | *note* | Group 2020 USD ($000) | Group 2019 USD ($000) |
|---|---|---|---|
| Net cash inflow from operating activities | (a) | 15,350 | 5,230 |
| Cash flows from investing activities | (b) | 403 | 532 |
| Cash flows from financing activities | (c) | (12,332) | (9,796) |
| Change in cash and cash equivalents in the reporting period | | **3,421** | **(4,034)** |
| | | | |
| Cash and cash equivalents as at 1 Jan | | **28,384** | **32,418** |
| Cash and cash equivalents as at 31 Dec | | **31,805** | **28,384** |

***Cashflow Statement notes:***

**(a) Reconciliation of changes in resources to net cash outflow from operating activities**

| | | |
|---|---|---|
| Net income for the reporting period | 1,347 | 581 |
| Dividends and interest from investments | (417) | (548) |
| Bank charges | 14 | 16 |
| Issuance of programme related grants | 10,533 | 7,730 |
| (Increase)/decrease in debtors | 3,792 | (335) |
| Increase/ (decrease) in creditors | 81 | (2,214) |
| **Net Cash provided by operating activities** | **15,350** | **5,230** |

**(b) Cash flows from investing activities**

| | | |
|---|---|---|
| Portfolio Interest | 361 | 208 |
| Bank and other interest | 56 | 340 |
| Bank charges | (14) | (16) |
| **Net Cash provided by investing activities** | **403** | **532** |

**(c) Cash flow from financing activities**

| | | |
|---|---|---|
| Purchase of programme related investments | (1,799) | (2,066) |
| Issuance of programme related grants | (10,533) | (7,730) |
| **Net Cash provided by financing activities** | **(12,332)** | **(9,796)** |

*The charity has taken advantage of the exemption available under FRS 102 from the requirement to present a charity-only cash flow statement within the consolidated financial statements.*

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## Notes to the accounts

### 1. Accounting policies

***Company Information:***

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, it's registered address is Wework, 8 Devonshire Square, London EC2M 4PL

***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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

GIF has a 100% owned subsidiary, also called Global Innovation Fund, incorporated in District of Columbia, United States of America (EIN: 47-4045086). It is a not for profit organisation and therefore has equity of nil, its turnover of $2,056k (2019: 1,591k) was provided directly from GIF to cover its operating costs. Its address is 1701 Rhode Island Ave NW, 20036, Washington, United States.

No separate SOFA has been prepared for the charity alone, as permitted by Section 408 of the Companies Act 2006. As required by Section 408 (4) of the Companies Act the charity's income for the year was $24,540k (2019 - $19,893k), and its net surplus was $4,373k (2019 - $581k). The charity has also taken advantage of the exemptions available under FRS 102 from the requirements to present a charity-only cash flow statement and to present certain disclosures about the charity's financial instruments.

***Going concern***

The trustees approve the annual budgets and periodic forecasts to ensure there is sufficient working capital to meet its obligations over at least the following 12 months. The charity meets its ordinary working capital requirements through its existing cash balances.

The Covid-19 impact has not had a material impact on the charity's financial position. Although risks still exist, the trustees monitor these closely.

Having regard to the above, the current cash position, and expected cashflow over the 12 months from the date these accounts were signed, the trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

***Basis of consolidation***

The consolidated financial statements include the financial statements of the company Global Innovation Fund and its subsidiary undertaking made up to 31st December 2020. The parent company Global Innovation Fund is based in London and has one subsidiary (also name Global Innovation Fund) based in Washington D.C.

***Accounting estimates and judgements***

In preparing the financial statements, management have made judgements, estimates and assumptions that affect both the amounts recorded as revenues and expenses during the period, and amounts recorded for assets and liabilities as at the balance sheet date. However, the nature of estimation means these estimates could differ from actual outcomes. This is especially prevalent in determining the carrying value of GIF's social investments and any need for impairment. The determination of carrying values for early-stage companies is by nature a volatile and uncertain process. Despite the inherent volatility, the guidelines applied to determine whether an impairment is required are considered to result in the best estimate of whether and the amount of any impairment required.

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## Notes *(continued)*

***Measurement convention***

The financial statements are prepared on the historical cost basis except for any social investments for which it is considered that a reliable estimate of market value exists. The related financial instruments are classified at fair value through income and expense. Where an accurate estimate of market value is unavailable the investments are stated at cost with an assessment for impairment taken at the year end.

***Foreign currency***

GIF operates in 7 Currencies: US Dollars, Pounds Sterling, Euros, Swedish Kroner, Australian Dollars, Indian Rupees and Canadian Dollars. Transactions in foreign currencies are recognised in the group's statement of income and expense in US Dollars (the functional currency), at the average monthly foreign exchange rate ruling at the date of the transaction.

Exchange rates within the accounting system are updated monthly using closing spot rates as per the Bank of England on the final day of the month. For the purpose of the first period end, monetary assets and liabilities denominated in foreign currencies at 31st December 2020 are translated to US Dollars at the closing foreign exchange rate ruling on 31st December 2020. Foreign exchange differences arising on translation are recognised in the statement of income and expense.

The functional currency of the subsidiary is US Dollars and therefore no currency difference occurs on consolidation with the group accounts.

***Basic financial instruments***

Trade and other debtors are recognised initially at transaction price less any impairment. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Cash and cash equivalents comprise cash balances and notice deposits, less than three months. The accounting policy for social investments is set out separately below.

***Income recognition***

All income is accounted for when Global Innovation Fund has entitlement, there is probability of receipt and the amount is measurable. For grant income this is usually when the invoice for payment is raised. Whilst our funders have committed funds to GIF, the timing of said funds are due only when GIF can demonstrate the need. Once our funders agree, an invoice is then raised for payment.

Interest receivable on the notice deposits (less than three months) is recognised in the income and expenditure account as they accrue, using the effective interest method. Realised and unrealised foreign currency gains and losses are reported on a net basis.

***Governance costs***

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

***Expenses***

Expenses are recognised on an accruals basis in the period to which they relate.

All costs are allocated to direct charitable activities or raising funds. Support costs are allocated either as direct costs associated with the investment or indirect costs.

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## Notes *(continued)*

***Pension costs***

GIF operates a defined contribution pension scheme for its employees and contributes 10% of gross salary where the employee contributes at least 1%. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

***Fund Accounting***

Restricted funds are funds that have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes.

***Operating leases***

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Statement of Financial Activities on a straight-line basis over the period of the lease.

***Social Investments***

Social Investments that are loans, equity or convertible loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts.

Unquoted equity, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless the Fund is able to obtain a reliable estimate of fair value.

An impairment of charge of $3,026k (2019: $1,268k) was recognised in the accounts in relation to the annual assessment of social investments.

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## Notes *(continued)*

### 2. Income

| | 2020 USD ($000) | 2019 USD ($000) |
|---|---|---|
| **Income** | | |
| Government Grants | 19,855 | 15,658 |
| Private Funding | 2,736 | 3,314 |
| | **22,591** | **18,972** |

| | 2020 USD ($000) | 2019 USD ($000) |
|---|---|---|
| **Government income by country** | | |
| Australia | 1,534 | - |
| Canada | 1,512 | - |
| Sweden | 2,508 | 2,324 |
| United Kingdom | 11,301 | 9,879 |
| United States of America | 3,000 | 3,454 |
| | **19,855** | **15,657** |

| | 2020 USD ($000) | 2019 USD ($000) |
|---|---|---|
| **Investment Income and other Income** | | |
| Income from investments | 361 | 208 |
| Bank interest on current accounts | 56 | 340 |
| Profit on disposal of investment | 166 | - |
| | **583** | **548** |

No government grants that have been recognised in the accounts have any unfulfilled conditions or other contingencies attached and there are no other forms of government assistance from which the charity has benefited.

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## Notes *(continued)*

### 3. Charitable Activities

| | 2020 USD ($000) | 2019 USD ($000) |
|---|---|---|
| **Grants Payable** | | |
| DMI (Development Media International) | 46 | - |
| PATH | 454 | - |
| DGMT-SmartStart | 450 | - |
| Behavioural Insights Team | - | 506 |
| One Acre Fund | 3,174 | 2,879 |
| Lively Minds | 468 | 594 |
| No Lean Season | - | (462) |
| Education Initiatives | 282 | 441 |
| Hut Decoration | - | - |
| Ideas42 | 900 | 663 |
| Interactive Research & Development | 428 | 171 |
| Labeled Remittances | 400 | - |
| Talent Beyond Boundaries | 4 | 75 |
| Tag Africa | - | 14 |
| IDInsight | - | 115 |
| No Means No Worldwide | 700 | 75 |
| Reducing Anemia | - | 470 |
| Graduation | 1,500 | - |
| mClinica | 60 | - |
| Balloon Ventures | 115 | 115 |
| Give Directly | 800 | 1,200 |
| Babban Gona | 208 | 13 |
| Crime Radar | 333 | 230 |
| Strong Minds | 211 | 631 |
| | **10,533** | **7,730** |
| **Impairment of programme related investments** | **3,026** | **1,268** |
| **Staff Skills and other related staff costs** | **5,948** | **5,084** |
| **Other Support Costs** | **3,295** | **5,193** |
| **Foreign Exchange losses** | **391** | **37** |
| **Total costs directly associated to charitable activities** | **23,193** | **19,312** |

All grants above were made to institutions. All grants were signed for and disbursed within the year.

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## Notes *(continued)*

### 4. Programme-related investments

| | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|
| **Debt** | | | | |
| B/F amount | 1,846 | 1,846 | 3,504 | 3,504 |
| Reclassification | - | - | (186) | (186) |
| Additions/Interest accrued | 354 | 354 | 455 | 455 |
| Investments paid back | - | - | (1,927) | (1,927) |
| Impairment charge | (131) | (131) | - | - |
| C/F amount | 2,069 | 2,069 | 1,846 | 1,846 |
| **Convertible debt instruments** | | | | |
| B/F amount | 2,015 | 2,015 | 1,638 | 1,638 |
| Reclassification | - | - | - | - |
| Additions/Interest accrued | 1,354 | 1,354 | 1,815 | 1,815 |
| Disposals | - | - | - | - |
| Debt converted to equity | - | - | (1,438) | (1,438) |
| Impairment charge | - | - | - | - |
| C/F amount | 3,369 | 3,369 | 2,015 | 2,015 |
| **Equity** | | | | |
| B/F amount | 19,420 | 19,420 | 16,072 | 16,072 |
| Reclassification | - | - | 186 | 186 |
| Additions | 3,300 | 3,300 | 2,992 | 2,992 |
| Disposals | (183) | (183) | - | - |
| Debt converted to equity | - | - | 1,438 | 1,438 |
| Impairment charge | (2,895) | (2,895) | (1,268) | (1,268) |
| C/F amount | 19,642 | 19,642 | 19,420 | 19,420 |
| **Total programme-related investments** | **25,080** | **25,080** | **23,281** | **23,281** |

### 5. Debtors

| | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|
| **Debtors** | | | | |
| Deposits | 130 | 91 | 202 | 139 |
| Prepayments and accrued income | 128 | 173 | 3,847 | 4,090 |
| Other debtors | 1 | 1 | 1 | 1 |
| | **259** | **265** | **4,050** | **4,230** |

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## Notes *(continued)*

### 6. Cash at bank and in hand

| | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|
| **Cash at bank and in hand** | | | | |
| Cash in hand | 31,332 | 31,143 | 18,292 | 18,043 |
| Notice deposits (less than 3 months) | 473 | 473 | 10,092 | 10,092 |
| | **31,805** | **31,616** | **28,384** | **28,135** |

### 7. Creditors

| | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|
| **Creditors: amounts falling due within one year** | | | | |
| Trade creditors | 10 | 1 | 78 | 59 |
| Other creditors | 2 | 2 | 12 | 12 |
| Accruals | 488 | 315 | 329 | 279 |
| | **500** | **318** | **419** | **350** |

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## Notes *(continued)*

### 8. Funds

The restricted funds are received under an agreement with DFATD (Canada) and a separate agreement with DFAT (Australia). DFATD have stipulated their funds are to be invested in initiatives that have a gender focus. For DFAT, GIF is the Implementation Partner for the Water Data Challenge. Through the Challenge, GIF seeks to source and invest in data-orientated innovations in the water sector which have the potential to cost-effectively improve smallholder farmers' productivity, income, or resilience; or that help to optimise water use at the system, watershed, or basin level so as to enhance resilience or promote inclusive growth. In June 2020 GIF signed a new deal with DFAT that will be focused on investing through a gender lens. Restricted funds wills be released as and when suitable investments or grants are found, and milestones are met.

| | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|
| **Restricted funds** | | | | |
| Balance brought forward | 2,891 | 2,891 | 4,037 | 4,037 |
| Grant & Other Income | 5,123 | 5,123 | - | - |
| Expenditure | (2,125) | (2,125) | (1,147) | (1,147) |
| Increase/(Decrease) in Investments | - | - | - | - |
| Balance carried forward | **5,889** | **5,889** | **2,891** | **2,891** |

| | Group 2020 USD ($000) | Charity 2020 USD ($000) | Group 2019 USD ($000) | Charity 2019 USD ($000) |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| Balance brought forward 1st January | 52,405 | 52,405 | 50,678 | 50,678 |
| Grant & Other Income | 19,417 | 19,417 | 19,893 | 19,893 |
| Expenditure | (18,042) | (18,042) | (16,897) | (16,897) |
| Increase/(Decrease) in Investments | (3,026) | (3,026) | (1,268) | (1,268) |
| Balance carried forward 31st December | **50,754** | **50,754** | **52,405** | **52,405** |
| Total Funds | | **56,643** | | **55,296** |

| **Fund Balances as at 31st December** | **Unrestricted** | **Restricted** | **Unrestricted** | **Restricted** |
|---|---|---|---|---|
| Investments | 24,205 | 875 | 22,406 | 875 |
| Current Assets | 27,050 | 5,014 | 30,418 | 2,016 |
| Current Liabilities | (501) | - | (419) | - |
| Total Funds | **50,754** | **5,889** | **52,405** | **2,891** |
| | | **56,643** | | **55,296** |

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## Notes *(continued)*

### 9. Auditors remuneration

| | Group 2020 USD ($000) | Group 2019 USD ($000) |
|---|---|---|
| **Included in the statement of financial activities are;** | | |
| Statutory audit fees | 44 | 48 |
| Tax advisory fees | 2 | 7 |
| | **46** | **55** |

### 10. Staff numbers and costs

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

| | Group 2020 USD ($000) | Group 2019 USD ($000) |
|---|---|---|
| **Category** | | |
| Investment | 14 | 13 |
| Analytics | 5 | 4 |
| Legal | 6 | 5 |
| Administration | 14 | 13 |
| | **39** | **35** |
| *The aggregate payroll costs of these persons were as follows:* | | |
| Wages and salaries | 4,435 | 3,779 |
| Social security costs | 424 | 434 |
| Contributions to defined contribution pension plans | 620 | 451 |
| Other employee benefits | 220 | 168 |
| Other Staff costs | 251 | 252 |
| | **5,951** | **5,084** |

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**Staff banding**

*The number of employees whose total compensation package (excluding pension) exceeded $81k are as follows:*

| | Group 2020 USD ($000) | Group 2019 USD ($000) |
|---|---|---|
| USD | | *Restated* |
| 81,000 - 93,999 | 5 | 4 |
| 94,000 - 107,999 | 5 | 4 |
| 108,000 - 120,999 | 2 | 1 |
| 121,000 - 134,999 | 3 | 3 |
| 135,000 - 161,999 | 3 | 1 |
| 162,000 - 174,999 | 1 | 1 |
| 175,000 - 188,999 | 1 | 2 |
| 189,000 - 202,999 | 3 | 2 |
| 203,000 - 215,999 | 0 | 1 |
| 216,000 - 228,999 | 0 | 0 |
| 229,000 - 241,999 | 0 | 0 |
| 242,000 - 254,999 | 0 | 1 |
| 255,000 -267,999 | 1 | 0 |
| 268,000- 280,999 | 0 | 0 |
| 294,000 - 306,999 | 1 | 0 |
| 316,000 - 328,999 | 1 | 0 |
| | **26** | **20** |

The Trustees received no remuneration for their services to the company. The above reflects termination payments made in the year as detailed below.

**Remuneration of Key Management Personnel**

The total compensation package for key management personnel totalled $2,157k (2019: $1,643k). The trustees received no remuneration for their services to the company.

**Termination payments**

Termination payments made during the year were $276,519 (2019: nil). These have been included within "Wages and salaries" within the aggregate payroll costs table in note 10.

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## Notes *(continued)*

### 11. Financial Instruments

The carrying amounts of the financial assets and liabilities include

| | Group 2020 USD ($000) | Group 2019 USD ($000) |
|---|---|---|
| **Financial Instruments** | | |
| Financial Assets - amortised cost | 55,699 | 50,479 |
| Financial Assets - fair value | 1,187 | 1,187 |
| Financial Liabilities - amortised cost | 501 | 419 |
| | | |
| **Financial Assets** | | |
| Cash | 31,805 | 28,384 |
| Debtors | 1 | 1 |
| Social investments | 25,080 | 23,281 |
| | **56,886** | **51,666** |
| | | |
| **Financial Liabilities** | | |
| Trade Creditors | 11 | 78 |
| Accruals | 488 | 329 |
| Other creditors | 2 | 12 |
| | **501** | **419** |

As quoted prices are unavailable, the fair value of equity investments has been measured as at the tranasaction price. An assessment of the investments were made at the year end by the senior management and an impairment charge of $3,026k (2019: $1,268k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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## Notes *(continued)*

### 12. Operating Leases

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

| | Group 2020 USD ($000) | Group 2019 USD ($000) |
|---|---|---|
| **Operating Leases** | | |
| not later than one year | 693 | 738 |
| later than one year and not later than five years | 62 | 218 |
| later than five years | - | - |
| **Total annual commitments** | **755** | **956** |

Within the financial statements are lease payments totalling $937k (2019: $882k)

### 13. Funding Commitments

Amounts related to programme related investments (grants) contracted for but not provided in financial statements amounted to $19,773k (2019: $8,341k) for the group and the company. If all conditions relating to each grant were met, the following amounts will be due.

| | 2020 Grant Commitments | 2020 Risk Capital Commitments | 2020 Total |
|---|---|---|---|
| 2021 | 9,765,089 | 4,182,229 | 13,947,318 |
| 2022 | 3,180,771 | 1,350,000 | 4,530,771 |
| 2023 | 1,245,000 | - | 1,245,000 |
| 2024 | 50,000 | - | 50,000 |
| **Total annual commitments** | **14,240,861** | **5,532,229** | **19,773,090** |
| Total annual commitments as at 1st January 2020 | 8,079,594 | 262,000 | 8,341,594 |
| FX Movement in 2020 | (240,938) | 397,121 | 156,183 |
| Commitments made in 2020 | 16,934,971 | 9,521,233 | 26,456,204 |
| Payments made in 2020 | (10,532,766) | (4,648,125) | (15,180,891) |
| Total annual commitments at 31st December 2020 | **14,240,861** | **5,532,229** | **19,773,090** |

Neither the group nor company have any contingent liabilities as at the balance sheet date.

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## Notes *(continued)*

### 14. Trading activities of subsidiary

Global Innovation Fund, a non-profit subsidiary, is registered in the US (FEIN 47-4045086), located in Washington DC had the following results to 31/12/2020.

| | 2020 USD ($000) | 2019 USD ($000) |
|---|---|---|
| **Income & Expenditure** | | |
| Total support received & revenue | 2,116 | 1,646 |
| Total expenses | (2,116) | (1,646) |
| | | |
| **Balance Sheet** | | |
| Assets | 228 | 313 |
| Liabilities | (228) | (313) |
| | - | - |

### 15. Defined contribution scheme

The group operates a defined contribution pension scheme. The total expense relating to this scheme amounted to $620k (2019: $451k) during the period which has been charged to the Statement of Financial Activities. The contributions were paid using unrestricted funds.

### 16. Related party disclosure

*Trustees*
None of the Trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

*Trustees expenses*
Two of the Trustees have claimed expenses or had their expenses met by the charity, these are related to flights, accomodation and subsistance for board meetings. These costs total $4,465 (2019: $39,153)

*Employees*
The loan issued to the CEO, Alix Zwane was repaid during the year. This was valued at $5,850 at the end of the 2019. No interest was charged on this loan.

*Subsidiary*
GIF gave $1,700k (2019: $1,650k) to its subsidiary located in Washington DC to fund its administration expenses. $416,293 (2019: $99,556) of expenses were paid by GIF on behalf of the US subsidiary. The subsidiary had assets of $227,840 and liabilities of $227,840 at 31 December 2020, giving total net assets of $Nil. At the year end, the susbisidiary owed GIF $nil (2019:nil).

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## Notes *(continued)*

### 17. Post balance sheet event

In April 2021 GIF sold one of its equity investments. The book value of this was $1,051k and a net profit on disposal of $103k was realised.

Additionally in April 2021, GIF exited one its debt holdings (by virtue of it being repaid). The book value of this repayment was $1,250k.