

Company number: 8871642
Charity number: 1157318

CGD Europe

Report and financial statements
For the year ended 31 December 2019

Contents

For the year ended 31 December 2019

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Reference and administrative information

For the year ended 31 December 2019

Company number 8871642

Charity number 1157318

Registered office 10 Queen Street Place, London EC4R 1BE

Operational Address 1 Abbey Gardens, Great College Street, London SW1P 3SE

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Masood Ahmed	Chair & Trustee
Stephen Brooker	Trustee
Dame Sue Owen	Trustee
Ellen Mackenzie	Trustee
Amanda Glassman	Trustee (until 31 May 2019)
John Lipsky	Trustee (from 23 May 2019)
Shalia Leekha	Trustee (from 12 September 2019)

Key management personnel	Owen Barder	Chief Executive (until 24 May 2019)
	Amanda Glassman	Chief Executive (from 1 June 2019)
	Mark Plant	Chief Operating Officer
	Reetan Patel	Chief Finance, Planning and Operations Officer

Bankers HSBC Bank Plc
16 King Street, Covent Garden, London WC2E 8JF

Solicitors Bates Wells LLP
2- 6 Cannon St
London, EC4M 6YH

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London, EC1Y 0TL

Objectives and Activities

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

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

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

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

CGD Europe's Objectives for 2019

CGD Europe produces research which informs policymakers and others about the impact of developed countries and international institutions on the world's poor. Such research leads to practical ideas and innovations leading to reductions in poverty and improvements in living conditions for the world's poorest people. These policy innovations can have significant effects on very large numbers of people. This year, CGD Europe's policy and research work has covered the following topics:

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

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

The trustees of CGD Europe have given careful consideration to the guidance contained in the Charity Commission's general guidance on public benefit, in addition to the charity's aims and objectives.

Achievements and Performance

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

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

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

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

Results of CGD Europe's Work in 2019

In 2019, CGD Europe produced research and ideas which have had significant effects that will improve the lives of the world's poorest people:

Global Health Policy team:

CGD Europe is the secretariat for international Decision Support Initiative (iDSI) and has supported priority setting for health in Ghana, India and China. Ghana launched its first HTA committee to create better value for money for its 29 million citizens. iDSI has supported China's single payer to improve the efficiency of its health services for 1.4bn people and its drug budget of \$269bn. iDSI provided HTA training and technical support for the Government of India's HTAIn programme that informs priority-setting decisions for 500 million people.

Trustees' annual report

For the year ended 31 December 2019

CGD Europe produced research and raised awareness for the imminent transition from donor aid in order to avoid a funding cliff edge for LMICs. The Market-Driven, Value-Based Advance Commitment (MVAC) report has been finalised after period of public consultation, outlining a new model to address the challenges of chronic underinvestment in the TB response.

Global Education team:

The newly established Global Education Program focuses on broad welfare goals and seeks to understand the role education can play in addressing inequity. During the first year, we launched research partnerships with four institutions, including two African research organisations, with whom we will collaborate to further our goals. We convened events and contributed to global policy discussions on issues including the education aid architecture, gender-based violence in schools, foundational numeracy and literacy and education outcomes funding. Of the various publications by the team, the wide media coverage of the evaluation of a public-private partnership in Liberia, by CGD Senior Fellow Justin Sandefur and co-authors, has had particular influence and contributed significantly to global policy discussions on non-state education.

European Policy team:

CGD Europe's research strengthened the approach of the UK's aid watchdog with its new chief executive, informed HM Treasury's spending round; and demonstrated Departmental performance on aid which was used to support the case for DFID independence. Furthermore, CGD's research and proposals on future UK/EU engagement and influence over development cooperation post-Brexit has generated substantial interest from the European Commission, DFID and the UK Houses of Parliament.

Our convening of the 2019 Development Leaders Conference in Beijing, co-hosted by the Asian Infrastructure Investment Bank (AIIB), provided a platform to discuss and disseminate our research to a wide range of bilateral and multilateral development agencies.

Our Roadmap for the new EU leadership setting out a specific and actionable plan of action for the new European Commission future partnership with Africa was widely disseminated and well-received across the Commission and the Member States and set the basis for future discussions with the EU on migration, finance, trade and global health.

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

The MDHP team had two new Global Skill Partnership pilots confirmed (Belgium-Morocco; and Belgium-Morocco/Tunisia), with two more in development (Belgium/Portugal-Guinea/The Gambia; and Germany-Kosovo). We have also begun discussions about new pilots with France, Spain, Nigeria, the Netherlands, and the UK. These pathways will enable the movement of hundreds of new workers, contributing to economic and skill gains in both countries of destination and origin.

Sustainable Development Finance (SDF) team:

The SDF team analyses the current international finance system for development with a view to producing enough funding for the achievement of the SDGs. Events and project at CGDE included a donor seminar on domestic resource mobilization and work with European development finance institutions on aid architecture, encouraging private sector financing and climate financing.

Financial and Operational Review

Financial Performance

Income

Our income in 2019 was £3,028,142. While the fundraising environment remains challenging, we have a diversified income base which includes grants from governments and foundations. In addition, CGD Europe receives funds from the Center for Global Development to support operations and deliver elements of grants it has received.

Expenditure

CGD Europe spent £4,148,236 in 2019, with the highest proportion of expenditure on staffing, the average number of employees has increased significantly over the past 12 months from 15 staff in 2018 to 26 as of 31st Dec 2019. Our achievements with this expenditure are set out earlier in this report.

As at 31 December 2019, the overall results show a £1,120,095 deficit for the year, which is explained by the fact CGD Europe received a large amount of restricted income, as an advance payment, in 2018 for use in 2019 and subsequent years, as was the case for the Bill & Melinda Gates Foundation funded iDSIPlus project. The total funds carried forward at the end of the year was £1,076,258. This includes £1,060,312 of restricted funds for use in future years and £15,946 of unrestricted funds.

Pensions

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

Operational Performance

We continue to improve our events management, our processes, systems and information-technology services to aid our charitable activities and objectives. To support the activities of our multi-partner grants we designed and implemented a partner due diligence process, we also initiated our transition to a new cloud-based HR information management system that will help automate parts of the HR function and allow to run various workforce reports. The system has undergone internal testing and a full roll-out of the system is expected in Q2 2020.

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As at 26 March 2020, and in line with current UK government advice regarding the coronavirus (COVID-19) pandemic, all staff are now working from home. The finance and operations functions are by and large operating as normal, with events and meetings taking place virtually. COVID-19 has not had an impact on our operational performance. Management is keeping careful track of the health and well-being of CGD Europe employees and finding innovative ways to encourage continued collaboration. CGD Europe's executive team continue to monitor and implement UK government guidance.

Principal Risks and Uncertainties

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

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

In 2019 CGD Europe's executive team reviewed the risk register and the levels of risk probabilities and impact were discussed and approved by the trustees in April 2019, with further amendments approved in July and December.

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

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

CGD Europe's executive team and the trustees also considered an ongoing litigation matter and reported it to the Charity Commission as a Serious Incident Report. This is reflected in the risk register.

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

Statutory Fundraising Disclosures

CGD Europe does not engage in public fundraising and does not use professional fundraisers (external parties) or commercial participators. CGD Europe nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and CGD Europe received no complaints relating to its fundraising practice.

Reserves Policy

In assessing the overall level of reserves, the trustees aim at all times to maintain sufficient unrestricted funds to help in safeguarding CGD Europe's ongoing work. The trustees have set target reserves to cover three months' future expenditure (£191,000) with the aim of reaching this level over the next 3 years. As at 31 December 2019, free reserves (total funds, less restricted funds and fixed assets) held by CGD Europe were negative (£31,900), see Note 14a. The Trustees have the situation under active review and will take appropriate action if in their opinion the target is unlikely to be reached in the timetable previously set.

Going Concern

We have set out above a review of CGD Europe's financial performance and the general reserves position. CGD Europe's planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

Although at the end of 2019 CGD Europe had a reserves deficit, we are confident with a strong pipeline of confirmed multi-year grants and the ongoing support of CGD in Washington, we will be able to safeguard CGD Europe's ongoing work. We have a reasonable expectation we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt CGD Europe's ability to continue in operation. Accordingly, the accounts have been prepared on the basis that CGD Europe is a going concern.

Future Plans

In the last few weeks COVID-19 has changed the global economic and social outlook in ways that are yet unclear. The immediate economic costs of the virus are undoubtedly high, but what the enduring impacts will be is a matter of great uncertainty. CGD Europe, in close coordination with our colleagues at CGD, has already brought to bear its expertise in global health, pandemics, education, and development policy to the immediate problems faced by developed and developing countries in dealing with COVID-19. Our presence in broadcast and print media, as well as on the internet, has been unprecedented during the last month. Several funders have reached out to us to support our COVID-19 work.

At the same time our pre-COVID-19 work program is being implemented. Our physical offices have been closed, cleaned and secured. All staff members are now working from home effectively, thanks to having established work-from-home capacity in advance of the current crisis. Regular staff meetings and collaboration is taking place virtually. While the bulk of our publications in the last week have been about COVID-19, there is a slate of our "traditional" work awaiting publication at a more propitious moment. While we have had to cancel our public events for the time being, some events are taking place virtually on an ad hoc basis. We have already held one global health event virtually and another virtual development finance event is planned for mid-April. As the possible duration of the crisis becomes clearer, we will develop a longer-term programme of events. We are in close communication with our funders to discuss our 2020 deliverables. For programmes where we expect a significant COVID-19 impact, like Health and Education, we are already exploring with funders alternate ways to fulfil grant requirements, including redesigning outputs to incorporate or focus on COVID-19 related activities. Our funders continue to show their support for our longer-term work program. Large multi-year grants have been received in the last week from the UK's Department for International Development and from the Swedish International Development Agency.

As no one has fully grappled with the implications of COVID-19, we are not yet able to describe a fully articulated work program. However, given that our support for our pre-established work program is solid, it will continue; we describe it in detail in the following paragraphs.

Even before the current crisis, there was a reduced appetite for practical, evidenced-based policies among some donors and thus less willingness for donors to work together. In the UK the current government is rethinking the structure of its foreign assistance apparatus and the allocation of its funding. Its post-Brexit development policy stance is still uncertain and COVID-19 increases that uncertainty. Elsewhere in Europe, policymakers are less inclined than they have been to recognise UK and US leadership in international development and they have focused attention and budgets on the growing number of refugees in the Middle East. With a new Commission in the European Union comes reconsideration of the structure of development assistance from the Commission and its member countries. All these changes to the external environment have opened opportunities for influence yet made impact more challenging.

Progress towards the 2030 Sustainable Development Goals (SDGs) has been modest, and there is a growing recognition of the difficulties in mobilizing the substantial financing necessary to achieve those goals. There is recognition that the approach to development needs to move beyond the traditional approach to giving aid. Still, there is much less consensus on how this should be achieved. Climate concerns have also taken centre stage in discussions about development financing and COVID-19 will have set the world even more off the path to the SDGs.

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

Aside from any work on COVID-19, 2020 will see CGD Europe focus its policy and research expertise on the following strategic areas:

Global Health team:

- For 2020 iDSI will continue to empower countries to make better-informed resource allocation decisions for healthcare, including continuing to work directly with Ghana, China and India and scaling up work in Rwanda.
- We will be continuing to raise awareness on donor transitions through hosting events and discussions in 2020.
- CGD Europe will continue to work towards driving the uptake of innovation, including through the MVAC model, which goes beyond addressing the immediate challenge of TB by offering a roadmap to leverage private-sector investment for LMIC health priorities.

Global Education team:

- Understanding what determines the success or failure of methods that aim to improve basic skills for children from all backgrounds.
- Generate more research and policy products and to deepen our partnerships and policy engagement activities, particularly with African organizations as well as global education funders, so that more rigorous research is available and used by policymakers.

European Policy team:

- CGD's aid and development effectiveness research will see flagship publications with the Commitment to Development Index extended to the G20 countries in the spring, and a new suite of agency-level quality indicators later in the year.
- Our research will also focus on setting a new value proposition for European leadership in development; on advising on a strategic and holistic development partnership between the EU and the UK; and on proposals for more cooperative, streamlined and effective European development finance.

Migration, Displacement, and Humanitarian Policy team:

- The MDHP team will be focusing on establishing new pilot Global Skill Partnerships and scaling existing Partnerships; launching a new programme of work modelling the future migration flows between Africa and Europe; and engaging with European humanitarian actors on shifting incentive structures within the humanitarian system.

Sustainable Development Finance team:

- The SDF team will take an active role producing research on Climate Finance and Engaging with strategic actors to raise awareness on the challenges ahead in regard to climate change.
- We will continue working on Domestic Resource Mobilization issues engaging with key players and enhance international cooperation and responsiveness to finance mobilization for development, and how to increase "billions to trillions".

- We will work with IFIs and raise awareness on the challenges of the multilateral financing system and the potential debt crisis in LICs and MICs.

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

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

Structure, Governance and Management

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

Appointment of Trustees

CGD Europe is governed by a Board of Trustees, chaired from 1st February 2017 by Masood Ahmed (and by Nancy Birdsall before that). The Trustees of CGD Europe are appointed by the Center for Global Development (CGD) and hold office for a term of three years – or until he or she ceases to hold office in accordance with Article 26 of CGD Europe's Memorandum and Articles of Association; they may be reappointed twice. At least two Trustees must be individuals who are not on the board or governing body of CGD – nor paid employees or consultants of CGD.

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

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

Trustee Induction and Training

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

Related Parties and Relationships with Other Organisations

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

Remuneration Policy for Key Management Personnel

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

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

Statement of Responsibilities of the Trustees

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

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

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

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

In so far as the trustees are aware:

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

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

CGD Europe

Trustees' annual report

For the year ended 31 December 2019

Auditor

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

The trustees' annual report has been approved by the trustees on 6 April 2020 and signed on their behalf by

Name: Stephen Brooker

Position: Trustee

Opinion

We have audited the financial statements of CGD Europe (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Independent auditor's report

To the members of

CGD Europe

connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

Independent auditor's report

To the members of

CGD Europe

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.

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Noelia Serrano (Senior statutory auditor)

13 May 2020

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

CGD Europe

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

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations		1,100	-	1,100	1,104	-	1,104
Charitable activities	2	802,011	2,224,308	3,026,319	302,178	2,552,826	2,855,005
Other trading activities	3	723	-	723	1,951	-	1,951
Total income		803,834	2,224,308	3,028,142	305,234	2,552,826	2,858,060
Expenditure on:							
Raising funds	4	56,785	-	56,785	-	-	-
Charitable activities		742,836	3,348,615	4,091,451	519,158	1,320,714	1,839,872
Total expenditure	4	799,621	3,348,615	4,148,236	519,158	1,320,714	1,839,872
Net income / (expenditure) for the year	6	4,212	(1,124,307)	(1,120,095)	(213,925)	1,232,112	1,018,188
Transfers between funds		13,866	(13,866)	-	(6,749)	6,749	-
Net movement in funds		18,078	(1,138,173)	(1,120,095)	(220,674)	1,238,861	1,018,188
Reconciliation of funds:							
Total funds brought forward		(2,132)	2,198,485	2,196,353	218,542	959,623	1,178,165
Total funds carried forward		15,946	1,060,312	1,076,258	(2,132)	2,198,485	2,196,353

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

CGD Europe

Balance sheet

Company no. 08871642

As at 31 December 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	11		47,846		45,061
			<u>47,846</u>		<u>45,061</u>
Current assets:					
Debtors	12	236,164		8,076	
Cash at bank and in hand		974,719		2,282,453	
		<u>1,210,883</u>		<u>2,290,529</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	182,471		139,237	
			<u>1,028,412</u>		<u>2,151,292</u>
Net current assets					
			<u>1,076,258</u>		<u>2,196,353</u>
Total net assets			<u><u>1,076,258</u></u>		<u><u>2,196,353</u></u>
The funds of the charity:					
Restricted income funds	15		1,060,312		2,198,485
Unrestricted income funds:					
General funds		15,946		(2,132)	
		<u>15,946</u>		<u>(2,132)</u>	
Total unrestricted funds			<u>15,946</u>		<u>(2,132)</u>
Total charity funds			<u><u>1,076,258</u></u>		<u><u>2,196,353</u></u>

Approved by the trustees on 6 April 2020 and signed on their behalf by

Stephen Brooker
Trustee

CGD Europe

Statement of cash flows

For the year ended 31 December 2019

Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	(1,120,095)	1,018,188
Depreciation charges	16,690	10,890
(Increase)/ Decrease in debtors	(228,088)	253,674
Increase in creditors	43,234	72,426
Net cash provided by operating activities	(1,288,259)	1,355,178
	2019 £	2018 £
Cash flows from operating activities		
Net cash provided by operating activities	(1,288,259)	1,355,178
Cash flows from investing activities:		
Purchase of fixed assets	(19,475)	(38,033)
Change in cash and cash equivalents in the year	(1,307,734)	1,317,145
Cash and cash equivalents at the beginning of the year	2,282,453	965,308
Cash and cash equivalents at the end of the year	974,719	2,282,453

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1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015/March 2018) and the Companies Act 2006/Charities Act 2011.

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

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

c) Public benefit entity

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

d) Going concern

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

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

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

e) Income

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

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

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

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

1 Accounting policies (continued)

h) Fund accounting

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

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

i) Expenditure

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

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

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

j) Allocation of support and governance costs

Support and governance costs are allocated to the sole charitable activity of the organisation, education and research.

k) Operating leases

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

l) Tangible fixed assets

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

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

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

m) Debtors

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

n) Cash at bank and in hand

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

o) Creditors and provisions

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

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

1 Accounting policies (continued)**p) Financial instruments**

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

q) Pensions

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

r) Foreign Exchange Transactions

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

2 Income from charitable activities

			2019		2018	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Center for Global Development (CGD)						
US	698,013	927,313	1,625,326	217,647	378,988	596,635
Omidyar Network	-	-	-	76,531	38,000	114,531
BMGF (UK)	-	709,126	709,126	-	-	-
BMGF (US)	22,935	153,646	176,581	-	-	-
DFID (Education Research in Conduct	-	19,102	19,102	-	-	-
DFID (Improving the Global Education						
Architecture)	-	6,530	6,530	-	-	-
European Commission (RBF)	-	87,197	87,197	-	-	-
DFID (Humanitarian Policy Fund	-	6,537	6,537	-	-	-
Irish Aid and German Ministry for						
Economic Cooperation and						
Development	-	-	-	-	27,584	27,584
Norwegian Ministry of Foreign Affairs	-	159,913	159,913	-	64,672	64,672
BMGF (IDSI plus)	-	-	-	-	1,876,064	1,876,064
Commitment to Development Index	-	154,945	154,945	-	167,518	167,518
Gift in Kind – CGD US	81,063	-	81,063	8,000	-	8,000
Total income from charitable activities	<u>802,011</u>	<u>2,224,308</u>	<u>3,026,319</u>	<u>302,178</u>	<u>2,552,826</u>	<u>2,855,005</u>

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

3 Income from other trading activities

	2019	2018
	Total	Total
	£	£
Other income	723	1,951
	<u>723</u>	<u>1,951</u>

All income from other trading activities is unrestricted

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities		Support & governance costs £	2019 Total £
		Unrestricted £	Restricted £		
Staff costs (note 7)	56,785	-	1,568,787	405,930	2,031,502
Other staff costs	-	-	228	31,507	31,735
Travel, subsistence & meetings	-	-	-	21,684	21,684
Projects Events	-	2,681	40,933	-	43,614
Project Consultants	-	-	197,389	-	197,389
Project Sub Awards (Note 5)	-	-	1,065,714	-	1,065,714
Project Travel & Subsistence	-	3,531	142,853	-	146,384
Other Direct cost	-	27	35,647	-	35,674
Premises costs	-	-	14,473	303,546	318,020
Office costs	-	-	-	13,966	13,966
IT costs	-	-	-	12,385	12,385
Legal & Professional	-	-	-	94,771	94,771
Governance costs	-	-	-	17,946	17,946
Other finance costs	-	-	-	594	594
Foreign exchange losses	-	-	19,105	-	19,105
Depreciation	-	-	-	16,690	16,690
Gift in Kind - CGD US	-	-	-	81,063	81,063
	56,785	6,239	3,085,130	1,000,083	4,148,236
Support & governance costs	-	736,597	263,485	(1,000,083)	-
Total expenditure 2019	56,785	742,836	3,348,615	-	4,148,236

4b Analysis of expenditure (prior year)

	Charitable activities		Support & governance costs £	2018 Total £
	Unrestricted £	Restricted £		
Staff costs (note 7)	111,927	914,549	122,494	1,148,971
Project Sub Awards (Note 5)	-	59,541	-	59,541
Other staff costs	-	200	35,309	35,509
Travel, subsistence & meetings	-	30,627	39,319	69,946
Projects Events	561	20,272	-	20,833
Project Consultants	900	102,764	-	103,664
Project Travel & Subsistence	1,744	31,129	-	32,872
Other Direct cost	82	-	-	82
Premises costs	-	-	182,771	182,771
Relocation costs	-	-	27,989	27,989
Office costs	-	539	48,869	49,407
IT costs	-	722	784	1,506
Outreach costs	-	382	3,282	3,663
Legal & Professional	-	-	71,673	71,673
Governance costs	-	-	11,850	11,850
Other finance costs	-	-	705	705
Depreciation	-	-	10,890	10,890
Gift in Kind - CGD US	-	-	8,000	8,000
	115,214	1,160,724	563,934	1,839,872
Support & governance costs	403,944	159,990	(563,934)	-
Total expenditure 2018	519,158	1,320,714	-	1,839,872

5a Grant making to institutions (current year)

	Grants £	Support costs £	2019 £	2018 £
Cost				
National Health Foundation	802,683	-	802,683	-
Kemri Wellcome Trust Research Programme	155,579	-	155,579	-
Center for Global Development	107,452	-	107,452	59,451
At the end of the year	<u>1,065,714</u>	<u>-</u>	<u>1,065,714</u>	<u>59,451</u>

5b Grant making to institutions (prior year)

	Grants £	Support costs £	2018 £	2017 £
Cost				
Center for Global Development	59,451	-	59,451	-
At the end of the year	<u>59,451</u>	<u>-</u>	<u>59,451</u>	<u>-</u>

6 Net incoming resources for the year

This is stated after charging / crediting:

	2019 £	2018 £
Depreciation	16,690	10,890
Operating lease rentals:		
Property	214,360	135,498
Auditor's remuneration (excluding VAT):		
Audit	8,750	8,000
Other services	-	-
	<u>249,800</u>	<u>154,388</u>

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	1,706,090	982,615
Redundancy and termination costs	21,538	–
Social security costs	202,297	116,210
Employer's contribution to defined contribution pension schemes	101,577	50,146
	<u>2,031,502</u>	<u>1,148,971</u>

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

	2019 No.	2018 No.
£60,000 – £70,000	3	–
£70,000 – £80,000	2	–
£80,000 – £90,000	2	–
£90,000 – £100,000	–	1
£100,000 – £110,000	2	–
£110,000 – £120,000	1	–
£120,000 – £130,000	–	–
£130,000 – £140,000	–	2
£140,000 – £150,000	1	–

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

The total employee benefits including pension contributions and employer NIC of the key management personnel were £755,948 (2018: £458,330)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £991 to two trustees (2018: £nil).

8 Staff numbers

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

	2019 No.	2018 No.
Charitable activities	20.0	11.0
Support	6.0	4.0
	<u>26.0</u>	<u>15.0</u>

9 Related party transactions

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

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

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

During the year, income of £1,846,916 (2018: £661,009) was received from CGD, made up of £1,128,111 (2018: £443,362) restricted funds and £718,805 (2018: £217,647) unrestricted excluding 108,154 benefit in kind.

10 Taxation

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

11 Tangible fixed assets

	IT Equipment £	Leasehold Improvement £	Total £
Cost			
At the start of the year	66,355	6,673	73,028
Additions in year	19,475	-	19,475
	<hr/>	<hr/>	<hr/>
At the end of the year	85,830	6,673	92,503
	<hr/>	<hr/>	<hr/>
Depreciation			
At the start of the year	26,632	1,335	27,967
Charge for the year	15,355	1,335	16,690
	<hr/>	<hr/>	<hr/>
At the end of the year	41,987	2,670	44,657
	<hr/>	<hr/>	<hr/>
Net book value			
At the end of the year	43,843	4,003	47,846
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	39,723	5,338	45,061
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All of the above assets are used for charitable purposes.

12 Debtors

	2019 £	2018 £
Debtors	217,340	-
Pension	-	1,591
Accrued income	6,530	-
Prepayments	12,294	6,485
	<hr/>	<hr/>
	236,164	8,076
	<hr/> <hr/>	<hr/> <hr/>

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	30,973	25,039
Taxation and social security	94,528	46,657
Accruals	56,970	67,542
	<u>182,471</u>	<u>139,237</u>

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	47,846	-	47,846
Net current assets	(31,900)	1,060,312	1,028,412
Net assets at the end of the year	<u>15,946</u>	<u>1,060,312</u>	<u>1,076,258</u>

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	45,061	-	45,061
Net current assets	(47,193)	2,198,485	2,151,291
Net assets at the end of the year	<u>(2,132)</u>	<u>2,198,485</u>	<u>2,196,353</u>

15a Movements in funds (current year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
European Commission (RBF)	-	87,197	(28,481)	-	58,716
Center for Global Development US	2,082	927,313	(926,404)	(1,069)	1,922
BMGF (US)	(18,648)	153,646	(185,487)		(50,489)
BMGF (UK)	205,187	709,126	(777,192)	(11,190)	125,932
DFID (Education Research in Conduct and Protracted Crisis)	-	19,102	(19,102)	-	-
DFID (Improving the Global Education Architecture)	-	6,530	(6,530)	-	-
DFID (Humanitarian Policy Fund Secondment)	-	6,537	(6,554)	-	(17)
Norwegian Ministry of Foreign Affairs	64,672	159,913	(146,400)	-	78,185
BMGF (iDSI plus)	1,876,064	-	(1,122,657)	(1,607)	751,800
Commitment to Development Index	69,128	154,945	(129,810)		94,263
Total restricted funds	2,198,485	2,224,308	(3,348,615)	(13,866)	1,060,312
General funds	(2,132)	803,834	(799,621)	13,866	15,946
Total unrestricted funds	(2,132)	803,834	(799,621)	13,866	15,946
Total funds	2,196,353	3,028,142	(4,148,236)	-	1,076,258

Purposes of restricted funds**European Commission (RBF)**

The European Commission is funding CGD Europe to conduct research on the use of results-based management and results payments by multilateral organisations, such as the EU and development banks, to improve the effectiveness of their programs. CGD Europe is conducting case studies, engaging other researchers, and developing written products that will be useful to any agency thinking about results payments.

Center for Global Development US

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

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

The Global Health Policy program is working on several projects, including a collaboration with the Office of Health Economics to develop and socialise a blueprint for Market-Driven Value-Based Advance Commitment (MVAC)—to help accelerate development of a short-course, universal drug regimen for tuberculosis treatment.

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

Transfers in note 15a relate to fixed asset purchased during the year by the Global Education program.

15a Movements in funds (current year) continued

BMGF (US)

Bill & Melinda Gates Foundation (US) are funding CGD Europe to expand its team with a new Director of Policy Outreach now operating in Brussels, Belgium. This presence is enabling CGD Europe to deepen its engagement with policymakers, practitioners, thought leaders, media and engaged citizens in Brussels and help inform the European decision-making community. This will inform the new European Parliament and Commission in 2020.

Future funding is expected in 2020 and so a negative balance has been carried forward.

BMGF (UK)

Bill & Melinda Gates Foundation (UK) are funding CGD Europe to support research and education which will reduce poverty by improving the quality and impact of UK aid and development policy over three years. This work has focussed on the future of UK development policy after Brexit; the future direction of the aid watchdog; Departmental performance and the spending round; the UK's contribution to Multilateral System Reform; developing measures of Aid Effectiveness; and a programme to monitor and influence UK spending on research and development (R&D) for development.

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

Commitment to Development Index

This project examines and ranks governments of high-income countries on how much their policies do to support the development of low-income countries. In 2020, we will be launching a revitalized edition of the CDI, with an updated interactive web-tool, which will include major emerging economies like China for the first time, and also updated and refined measures, including new indicators on gender and development finance. The index rates governments on development finance, trade, investment, migration, environment, security, and technology, and averages the seven for an overall score. We will continue to communicate the results of the CDI and use them as an opportunity to highlight opportunities for improving policies for development, especially beyond aid.

BMGF (IDSIPlus)

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

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

DFID (Global Aid Architecture)

The Department for International Development (DFID) is funding CGD Europe's research project on the global education architecture. The purpose of the project is to provide independent and evidence-based analysis on the state of the architecture and to inform discussions by multilateral and bilateral agencies. It aims identify a set of actions to be taken forward rapidly, to show progress by early 2020 and for a strong coalition of support to be built for that work.

DFID (Humanitarian Policy Fund Secondment)

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

DFID (LAER)

DFID funded CGD Europe for its Leaders in African Education Research (LAER) programme. The objective of the programme is to bring together education researchers from African countries to debate research priorities and opportunities to improve the quality and representation of research lead by African researchers. Within the field of global education, African research does not get the visibility it deserves. Greater recognition of this work is needed to ensure research is of relevance to policy and practice in national contexts. This programme aims to address that.

15a Movements in funds (current year) continued

Norwegian Ministry of Foreign Affairs

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

15b Movements in funds (prior year)

	At 1 January 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2018 £
Restricted funds:					
Omidyar	107,844	38,000	(145,844)	-	-
Centre for Global Development US	-	378,988	(383,655)	6,749	2,082
BMGF (US)	152,017	-	(170,665)	-	(18,648)
BMGF (UK)	699,762	-	(494,575)	-	205,187
Irish Aid and German Ministry for Economic Cooperation and Development	-	27,584	(27,584)	-	-
Norwegian Ministry of Foreign Affairs	-	64,672	-	-	64,672
BMGF (iDSI plus)	-	1,876,064	-	-	1,876,064
Commitment to Development Index	-	167,518	(98,390)	-	69,128
Total restricted funds	959,623	2,552,826	(1,320,714)	6,749	2,198,485
Unrestricted funds:					
Designated fixed assets	17,918	-	(10,890)	(7,028)	-
Total designated funds	17,918	-	(10,890)	(7,028)	-
General funds	200,624	305,233	(508,268)	279	(2,132)
Total unrestricted funds	218,542	305,233	(519,158)	(6,749)	(2,132)
Total funds	1,178,165	2,858,060	(1,839,872)	-	2,196,353

16 Analysis of cash and cash equivalents

	At 1 January 2019 £	Cash flows £	Other changes £	At 31 December 2019 £
Cash in hand	2,282,453	(1,307,734)	-	974,719
Total cash and cash equivalents	2,282,453	(1,307,734)	-	974,719

17 Operating lease commitments

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

	Property 2019 £	2018 £
Less than one year	214,360	214,360
One to five years	696,670	53,590
	<u>911,030</u>	<u>267,950</u>

18 Legal status of the charity

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