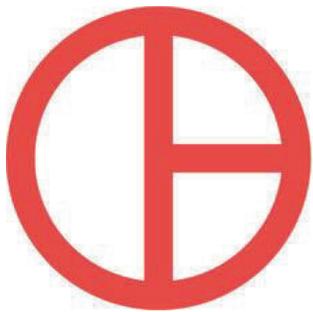


Global Innovation Fund
Report and audited financial statements
31st December 2020



GLOBAL INNOVATION FUND

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

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

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Greetings from the Chair



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.

A handwritten signature in black ink, appearing to read 'James R. Clark', written in a cursive style.

James R. Clark
Chair, Board of Directors

Message from the CEO



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.

A handwritten signature in black ink, appearing to read 'Alix'.

Alix Peterson Zwane PhD
Chief Executive Officer

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



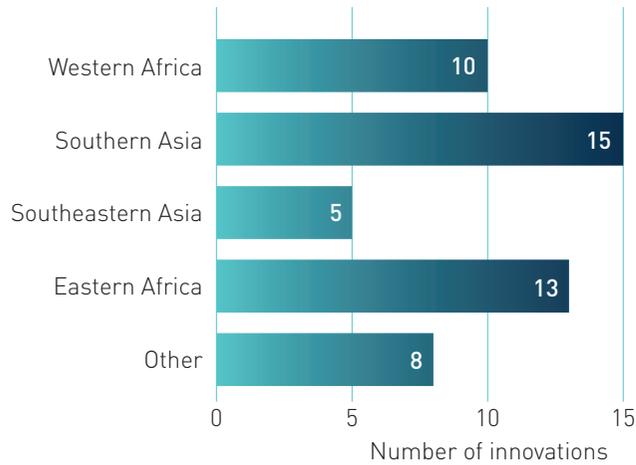
1.7x
average exit multiple on
first two exits (19% IRR)



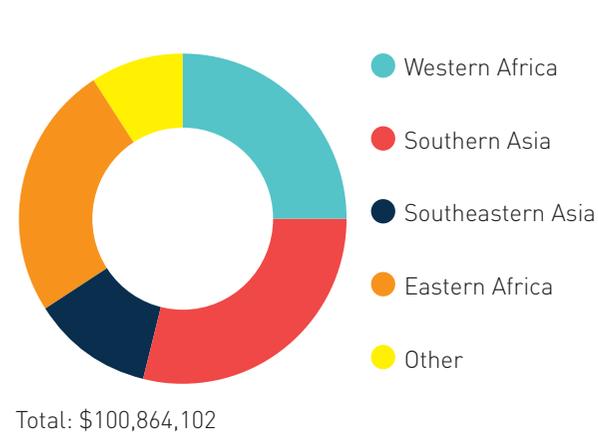
~200x greater
projected catalytic
impact of GIF portfolio
vs. cash transfers

Measuring impact

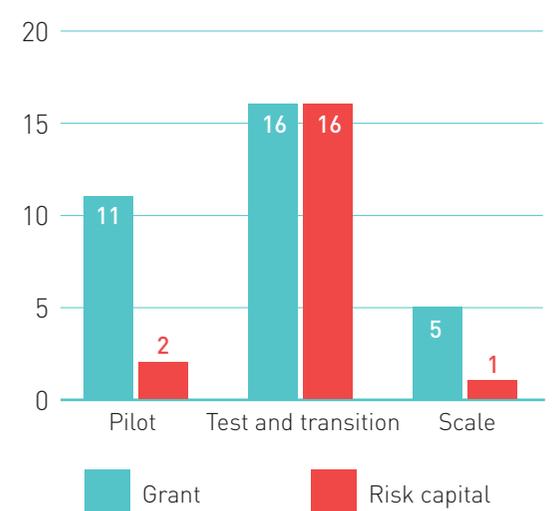
Innovations by region



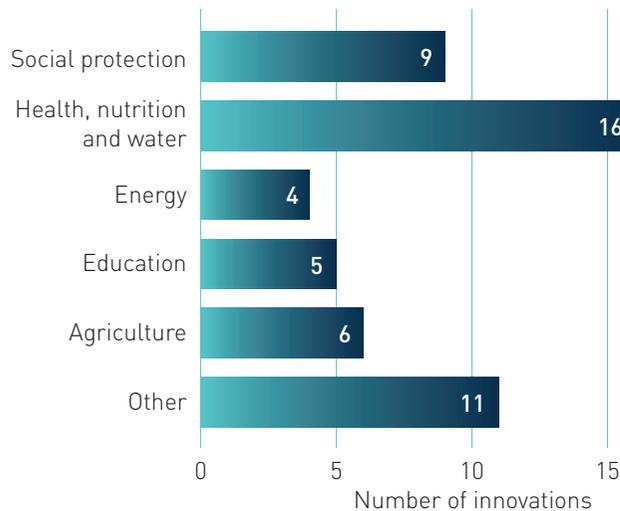
Value of GIF commitment by region



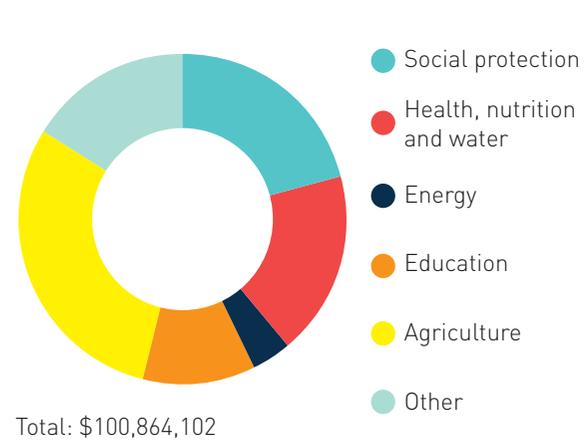
Funding stage and instrument



Innovations by sector



Value of GIF commitment by sector



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 1 st June 2020)
Chief Analytics Officer	Kenneth Chomitz
Senior Managing Director	Sarah Alexander (resigned 31 st December 2020)
Chief Financial Officer	Simon Jones (resigned 31 st 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 principle and registered office has the same address;

8 Devonshire Square

London

EC2M 4PL

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.

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.

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 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 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.

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 activities 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:

- 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.

- 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.

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.

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

*Global Innovation Fund
Report and audited financial statements
31st December 2020*

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:

951FB70A3A2F4BE...
James Clark

*Chair of the Board of Directors
Global Innovation Fund*

23 July 2021

Date:

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

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

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.

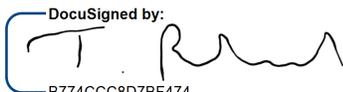
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

Global Innovation Fund
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Consolidated Statement of Financial Activities

For the year ended 31 December 2020

	<i>note</i>	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:					
<i>Total funds brought forward as at 1st January 2020</i>		52,405	2,891	55,296	54,715
<i>Total Funds carried forward as at 31st December 2020</i>		50,754	5,889	56,643	55,296

Global Innovation Fund
Report and audited financial statements
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Consolidated and Charity Balance Sheets

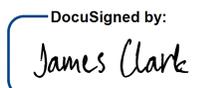
As at 31 December 2020

	<i>note</i>	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)

28 June 2021

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

DocuSigned by:

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James Clark

Chair of the Board of Directors

Global Innovation Fund

Company Registration Number: 09223487 (England and Wales)

Consolidated Cash Flow Statement

For the year ended 31 December 2020

	<i>note</i>	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)	<u>(12,332)</u>	<u>(9,796)</u>
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
<u>Cashflow Statement notes:</u>			
(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		<u>15,350</u>	<u>5,230</u>
(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		<u>403</u>	<u>532</u>
(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		<u>(12,332)</u>	<u>(9,796)</u>

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.

Notes to the accounts

1. Accounting policies

Company Information:

Global Innovation Fund (GIF) is a company incorporated and domiciled in the UK, its 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.

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.

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.

Notes *(continued)*

2. Income

	2020 USD (\$000)	2019 USD (\$000)
Income		
Government Grants	19,855	15,658
Private Funding	2,736	3,314
	<u>22,591</u>	<u>18,972</u>

	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
	<u>19,855</u>	<u>15,657</u>

	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	-
	<u>583</u>	<u>548</u>

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.

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
	<u>10,533</u>	<u>7,730</u>
Impairment of programme related investments	<u>3,026</u>	<u>1,268</u>
Staff Skills and other related staff costs	<u>5,948</u>	<u>5,084</u>
Other Support Costs	<u>3,295</u>	<u>5,193</u>
Foreign Exchange losses	<u>391</u>	<u>37</u>
Total costs directly associated to charitable activities	<u>23,193</u>	<u>19,312</u>

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	<u>2,069</u>	<u>2,069</u>	<u>1,846</u>	<u>1,846</u>
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	<u>3,369</u>	<u>3,369</u>	<u>2,015</u>	<u>2,015</u>
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	<u>19,642</u>	<u>19,642</u>	<u>19,420</u>	<u>19,420</u>
Total programme-related investments	<u>25,080</u>	<u>25,080</u>	<u>23,281</u>	<u>23,281</u>

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
	<u>259</u>	<u>265</u>	<u>4,050</u>	<u>4,230</u>

Global Innovation Fund
Report and audited financial statements
31st December 2020

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

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 will 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				
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

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
	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:

Category	Group 2020 USD (\$000)	Group 2019 USD (\$000)
Investment	14	13
Analytics	5	4
Legal	6	5
Administration	14	13
	39	35
	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
	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:

USD	Group 2020 USD (\$000)	Group 2019 USD (\$000)
		<i>Restated</i>
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
	<hr/>	<hr/>
	26	20
	<hr/> <hr/>	<hr/> <hr/>

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.

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
	<u>56,886</u>	<u>51,666</u>
Financial Liabilities		
Trade Creditors	11	78
Accruals	488	329
Other creditors	2	12
	<u>501</u>	<u>419</u>

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 \$3,026k (2019: \$1,268k) was recognised in the accounts within charitable investments on the face of the Statement of Financial Position.

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.

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	<u>(228)</u>	<u>(313)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

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 susbsidiary owed GIF \$nil (2019:nil).

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.