

ODI Annual Report and Financial Statements

For the year ended 31 March 2021

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Statement from the Chair

This has been a uniquely challenging year, for ODI as an organisation, for the sector and for the world. The Covid-19 pandemic has killed millions, devastated economies and prompted severe restrictions on daily life. Closer to home, changes within the UK government and deep cuts in government support have radically changed the funding landscape.

In the face of these challenges, ODI has proved remarkably resilient and adaptable, shifting seamlessly to remote working and convening; adapting its business model to reflect the new funding reality; and adopting innovative research methods drawing on local expertise and knowledge. To mark its sixtieth anniversary, the organisation launched a thorough rebrand, a new website and a new five-year strategy reflecting its ambitions as a genuinely global, multi-disciplinary think tank, while maintaining its position as a key source of research, ideas and analysis to inform development and humanitarian action on behalf of the world's poorest and most vulnerable people.

In his nine years as Chair of the Board, James Cameron has been instrumental in driving ODI's continued success. As I take over as Chair I look forward to continuing that work, helping to ensure that ODI remains as relevant and vital today as it was at its foundation 60 years ago.

Summary

Our strategic priorities

The year 2020/2021 saw ODI transition from the previous strategy, launched in 2018, to the finalisation and launch of a new strategy in March 2021, to coincide with ODI's 60th anniversary.

The 2018 strategy was framed around four thematic areas:

- Ending extreme poverty and reducing inequality.
- Transforming economies and the future of work.
- Ensuring sustainable water, land, food and energy.
- Preventing conflict and violence and addressing fragility.

Two cross-cutting themes focused on the approaches needed to enable progress and address the risks associated with making change happen:

- Managing and mitigating risks.
- Unlocking the enablers of progress, with a particular focus on politics, finance and technology.

The new five-year strategy was developed against the backdrop of significant changes in the external context, including the Covid-19 pandemic and Brexit. We also reconsidered ODI's role and relevance as a global think tank focusing on the most important challenges facing the world.

In this context, and on the occasion of ODI's 60th anniversary, we invited global, community and youth leaders, activists, businesses, academics and experts to explore and share ideas to build a better world. Through the *#GlobalReset* dialogue we asked:

- How can global economic cooperation be reinvigorated to deliver a fairer and more sustainable future for all? How can this transformation address the climate emergency?
- What should political and societal leaders do to redefine the social contract and ensure more progressive and just policies post-pandemic?
- How do global and local institutions need to adapt to meet these challenges? What kind of coalitions and ways of working could emerge?

ODI argued at the outset of the pandemic that we cannot go back to normal, because normal was the problem. We must seize this opportunity to reset before old habits re-establish themselves.

The conclusions of the Global Reset dialogue are at the heart of our new five-year strategy and are summarised in the next section, which highlights some of our key impacts.

Our activities in 2020/2021

ODI works across a wide range of sectors and issues with a direct impact on the wellbeing of the world's poorest people. We have nine core programmes, a public affairs and communications department and a shared services team ensuring the successful delivery of programmes and operation of the Institute. While each programme focuses on its specific area of expertise, larger pieces of work span programmes and draw multidisciplinary teams together.

ODI hosts important networks and consortia, including the Humanitarian Practice Network (HPN) and the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP). We also host long-term multi-partner research initiatives, such as the Secure Livelihoods Research Consortium (SLRC), Gender and Adolescence: Global Evidence (GAGE) and the Global Property Rights Index (Prindex). We run a Fellowship Scheme that places graduate economists and statisticians in public policy institutions around the world. ODI also publishes two academic journals, *Development Policy Review* and *Disasters*.

The Covid-19 pandemic was a dominating aspect of the global operating context throughout 2020/2021, creating enormous challenges for societies, economies and institutions across the world. ODI shifted almost all of its work online, we increased our research and advisory work through in-country partners, and established new ways of convening events online. Through ODI's Global Reset and other work, we pivoted the focus of much of our work to be relevant in the Covid-19 context. While ODI successfully adapted to the Covid-19 context overall, it was a challenging year; we had to evacuate many ODI Fellows from their operating locations, stopped most staff travel, worked almost entirely remotely and faced financial challenges as some work needed to be delayed and some funders reduced their contributions. We managed the situation carefully, undertook contingency planning and adjusted our work and operations as needed during the year to ensure future sustainability. ODI's annual results were positive overall and we continue to plan and adjust during what we expect will be another challenging year in 2021/2022.

Achievements and performance: a strategic overview

Over the course of 2020/2021, ODI produced influential work across all areas of its current strategy. ODI also adapted to be relevant to the Covid-19 context and to different ways of working. ODI's website provides comprehensive coverage of the range and depth of our work across each strategic area through high-quality research, country-based activities and world-class public affairs and communications. In light of the transition to ODI's new strategy, the following examples of our impact are organised within the conclusions of the Global Reset exercise completed during the year.

1 Take urgent action to tackle the climate emergency

2020 was tied for the hottest year on record, alongside 2016. Although the year will primarily be remembered for Covid-19, many countries were also devastated by climate-related disasters, from the bushfires that swept Australia to super-cyclone Amphan devastating the Bay of Bengal and locust swarms plaguing the Horn of Africa. As average global temperatures continue to rise, the frequency and intensity of such disasters will increase. ODI has focused on generating new evidence and supporting policy-makers to secure a green, climate-resilient economic recovery from the pandemic.

Transboundary adaptation

ODI is a founding member of [Adaptation Without Borders](#) (AWB), which works to strengthen both systemic resilience to the cross-border impacts of climate change and adaptation action. We are pushing thought leaders and policy-makers to recognise the cross-border nature of climate risks, and encouraging governments to adopt a transboundary approach to adaptation.

We participated in a number of technical and political dialogues focusing on transboundary adaptation in the run-up to COP26, including delivering a keynote speech at a webinar on [climate action in the Hindu Kush Himalaya region](#). ODI co-led, with Mott MacDonald, a virtual series of high-level [UK–Bangladesh Climate Partnership Forum](#) events on adaptation and resilience on behalf of the UK FCDO and the British High Commission Dhaka. AWB plans to work with the UK COP26 Presidency to champion regional transboundary adaptation and resilience planning. As part of this, we called for the creation of a 'Glasgow Agenda on Transboundary

Climate Risk Management' to increase visibility around the assessment and management of transboundary risks.

These events have helped open a dialogue with key stakeholders and decision-makers, including Anne-Marie Trevelyan MP, UK International Champion on Adaptation and Resilience for the COP26 Presidency. We have had positive early signals about progress, including from the UNFCCC Adaptation Committee. Following written input from AWB, transboundary climate risk is now considered in [efforts to make operational the Global Goal on Adaptation](#) introduced in the Paris Agreement. AWB will propose ways of measuring progress in reducing transboundary climate risks, which can then be used in the 2023 UNFCCC Global Stocktake for adaptation.

ODI is continuing to promote nature-based solutions (NBS) as a climate change mitigation and adaptation measure. We published a report on [Scoping opportunities, barriers and enablers of nature-based solutions in Russia](#), which makes recommendations for future UK–Russia collaboration, on accelerating and scaling up implementation of NBS to realise environmental benefits, including restoring and safeguarding biodiversity. We chaired a British Embassy Moscow [event](#) focusing on the vital role of NBS in tackling climate change and their potential in Russia. Participants included the UK Minister for Pacific and the Environment, the UK Ambassador to Russia, and the Russia directors of UNIDO, UNEP, IUCN and WWF. This research and convening is helping to promote understanding and exchanges on shared challenges despite the sensitive diplomatic context.

Ending public support for fossil fuels

ODI continued to push governments to end financial support to fossil fuels, working closely with a network of leading research and advocacy organisations. In FY20/21, we released three signature pieces:

- [Doubling back and doubling down: G20 scorecard on fossil fuel funding](#), together with the International Institute for Sustainable Development and Oil Change International. We found that G20 governments provided an average of \$584 billion a year between 2017 and 2019, so public support has dropped by only 9% since 2014–2016 — despite repeated pledges to end fossil fuel subsidies.
- The second [Production Gap Report](#), in collaboration with the Stockholm Environment Institute and UN Environment. We found that countries plan to produce more than double the amount of fossil fuels in 2030 than would be consistent with a 1.5°C temperature limit.
- The [EnergyPolicyTracker.org](#) (EPT), with ODI as one of six core partners. This database tracks new and amended policies affecting the key sectors responsible for energy production and consumption in 31 major economies and eight multilateral development banks (MDBs). We found that – as of June 2021 – these countries and MDBs had pledged \$330 billion to fossil fuel-intensive sectors, 42% of all public money committed to energy-producing and consuming activities.

Our research was featured in over 1,000 media stories in more than 50 countries (including Forbes, The New York Times and The Guardian) and cited by numerous influential figures including the UN Secretary-General, António Guterres. Our

evidence base contributed to the work of UNEP, the Green Climate Fund, the World Bank and the OECD, and we were invited to provide evidence to the UK Parliament.

Most importantly, our research has helped to create a sense of urgency around ending public support for fossil fuels. In December 2020, the French and UK governments and the European Investment Banks made ground-breaking commitments to end fossil fuel financing overseas. The G7 followed in 2021, with a commitment to end international support for coal-fired power plants.

2 Build a fair and sustainable future for all

The Covid-19 pandemic exposed the gross inequalities of the current economic and social order, fuelling demands for a fairer economic and political system. Now is the time to challenge power structures and dynamics that sustain inequality, and to create a fairer, more inclusive global economic system. ODI focuses on rethinking the economic framework and investing for sustainable development, encompassing employment and climate objectives, and investing to close the gap between rich and poor.

The socio-economic impact and policy responses to the Covid-19 crisis

As early as February 2020, ODI was analysing [the potential impacts](#) of the coronavirus crisis. By April 2020, ODI mobilised its extensive network of ODI Fellows to analyse the economic impact and policy responses in more than 30 countries.

Our analysis suggesting a large impact on poorer countries and demonstrating [a large difference](#) in the fiscal responses between low-income and G20 countries was [widely cited in the media](#) as the crisis emerged more fully.

We continued working with Southern think tanks, including Southern Voice and others, to analyse the impact of the crisis from a Southern perspective, [influencing the G20](#) and [macro-economic policy responses](#) in five countries. We are also exploring the role of the African Continental Free Trade Area in a resilient recovery from the crisis, working with the African Union (AU) and UNECA.

Financing the response to the Covid-19 crisis

In April 2020, ODI set out a series of options for [how international organisations](#) could help to cushion the impacts of the crisis. Unfortunately, the national interest has often seemed to trump collective international responses. As such, the publication of [the updated Principled Aid Index](#) was timely, and was once again widely picked up in the media. The Index, developed in recognition of growing aid nationalism in Western donor countries, seeks to distinguish progressive aid allocations that serve a country's long-run national interests in a safer, more prosperous and more sustainable world, from those that express parochial desires to service short-term commercial or geopolitical interests.

Throughout the year, we [have tracked the response of multilateral development banks](#) and how they can support economic recovery post-Covid. In April, [we made the case](#) (again) for multilateral development banks to [deploy their capital more aggressively](#). Italy, as chair of the G20, is also looking closely at our proposal for [an external review of the capital adequacy of banks](#).

ODI work has also brought [Africa's national development banks into the spotlight](#). National development banks have huge potential to support their country's development efforts. However, international financial institutions are still reluctant to work with them. Our research on the governance and financial performance of these banks has helped credit rating agencies move beyond intuition and instead draw upon actual evidence.

ODI has worked in partnership with the Institute of Fiscal Studies to produce a range of materials aimed at helping governments navigate the fiscal challenges of the crisis. This has included [suggestions on how initial relief efforts could be supported](#), [opportunities to mobilise revenue](#) and [potential approaches to invest to support recovery](#). ODI also launched a [new series of working papers](#) looking at how public finances can strengthen service delivery as the crisis recedes.

Through our long-term partnerships with African finance ministries, we have provided direct support to governments trying to deal with the fiscal challenges posed by the crisis. In Liberia, we have supported the Finance Ministry in navigating a new IMF programme. In Uganda, we have supported the government to access \$200 million in concessional financing from the World Bank and €30 million in financing from the EU to support grants to basic services. Our [UKAid-funded TaxDev programme](#) has worked with civil servants in Rwanda and Uganda to analyse how the crisis is affecting businesses, and how the tax system can protect revenues and provide relief. We are also starting a new partnership with Sudan's Finance Ministry as it embarks on a series of political and economic reforms.

At the regional level, [ODI has worked with the Global Fund to support the AU in convening](#) African finance and health ministers as they sought to navigate some of the challenging fiscal choices exacerbated by the pandemic. In partnership with the Collaborative African Budget Reform Initiative, we have facilitated dialogues [with finance ministries on how to manage rising debt](#).

Migrant key workers

Migrant essential workers have been on the frontline of the Covid response. ODI has been a leading voice in policy debates around the role and value of these workers in our societies, exploring a range of policy areas, including the national regularisation programmes in Portugal, Italy, France and Colombia, and the role of migrant scientists in the development of the Pfizer vaccine.

In March 2020 we highlighted the [essential role of migrant workers](#) in key sectors of the Covid emergency. As the pandemic unfolded, we collected real-time examples of their contributions in healthcare, agriculture, food supply chains and beyond, and proposed reforms to facilitate migrant labour. Our work has featured on the [Brookings](#) blog, and in national newspapers such as El Pais, Corriere della Sera and elsewhere.

In a rapidly evolving and noisy policy landscape, we created an innovative [data visualisation tool](#) on migration to cut through and reach new audiences. It has so far received over 22,000 page views and sparked debate on the role of design in supporting social change, opening up a new sphere of influence for ODI. ['Now accepting contactless'](#) was exhibited at the V&A Design Museum showcasing design and Covid. It was also covered by [Wallpaper magazine](#) and featured in a design masterclass at [Palazzo Grassi](#) in Venice.

ODI has extended its audience base to the art and culture sectors and established new creative relationships. We reflected on the role of data and design in influencing policy during an [online event](#) co-hosted with V&A Dundee, which had over 300 participants from 37 countries. In the transition from emergency response to Covid-19 recovery, ODI's work continues to raise awareness and inform debate on migrant key workers.

3 Redefine the social contract

Political and societal leaders should take action to make progressive and just policies central to the post-pandemic recovery. We must establish an economic system anchored in rights and dignity for all, founded on values of equality, solidarity, justice and human rights. ODI is contributing to redefining the social contract by pushing for transformative and sustainable change that explicitly seeks to rebuild the social fabric while addressing injustice, as well as a focus on strengthened social protection for the long term.

Gender norms

Work on gender norms goes from strength to strength despite Covid-19 curtailing what was to be a highly significant year, given the 25th anniversary of Beijing '95, from which much progress on gender equality is measured.

Analysis of [gender power and progress in norm change](#) over 25 years showcased how norms have changed, but with stagnation and backlash along the way. The debate at [ODI's global policy forum](#) in December 2020 brought experienced and youth voices together to discuss progress on norm change and promote engagement in this critical area. In the context of [recent spikes](#) in violence against women in politics, an ODI event in May 2020 sought to align actors from multiple sectors to tackle this surge, complementing our successful [recruitment of multiple partners](#) to understand the drivers of violence in the workplace. One partner, YUWA, is focusing on solutions to gender-based violence as experienced by members of the House of Representatives in Nepal. Others are focusing on violence in the healthcare, manufacturing and agriculture sectors.

With the impacts of Covid-19 globally significantly affecting women and girls, our work to address backsliding on women's rights is ever-more critical. In 2020, women's care work increased exponentially, domestic violence surged and educational gains, particularly for girls, eroded. Sexual and reproductive health and rights (SRHR) services and policy have been neglected. Our work in Homa Bay, Kenya, on [adolescent pregnancies](#), and in the Philippines and Zimbabwe, on [unpaid care work](#), is helping to shift local and national government dialogue and policy. Our analysis of the [mental health impacts of Covid-19 in Vietnam and Tanzania](#) and [health system responses](#), including from less well-known contexts such as Cuba, is informing responses to current health emergencies, and underscoring the importance of shifting gender norms for sustainable change.

Tackling inequality

Persistent poverty and rising inequality in recent years have led to growing calls to put equity and sustainability considerations at the centre of policy-making. These trends have also contributed to the resurgence of lively debates on the social contract and the role of public policy and redistribution in building a society that works for all. The Covid-19 crisis has further exposed inequities and risks exacerbating them.

ODI contributed to global- and local-level policy debate and decision-making through original analysis, technical advisory work and convening. This included a major report on [Universal Child Benefits](#), which was debated at a [high-level event](#), covered extensively in the media and cited as a key resource in policy reforms adopted in Italy. We published analysis on [achieving Universal Health Coverage](#), hosted a [webinar debate](#) and explored the [opportunity presented by the pandemic to expand health coverage](#).

In January 2021 ODI convened a high-level conference on [Inequality and a new social contract](#), as part of the Global Reset series. This brought together key stakeholders from across government, academia and civil society to discuss how to place tackling inequality through a new social contract at the front and centre of recovery efforts. The event was covered in the media (e.g. [here](#)), and has led to continued exchanges with government officials, researchers and advocacy leads.

4 Promote human rights and peace

Seventy-five years after the UN was established, the promise of the Universal Declaration of Human Rights remains largely unfulfilled. Human rights and a rules-based order are fundamental to building peaceful, just and inclusive societies. ODI focuses research and policy advice on governance and systems that uphold human rights and international humanitarian law, promote peace and ensure justice for all.

Promoting peace and tackling conflict

ODI hosts an initiative sponsored by the Australian Department for Foreign Affairs and Trade (DFAT) called [Lessons for Peace: Afghanistan \(L4P\)](#). Through its advisory work, L4P has helped introduce a sharper political lens to the planning and prioritisation of major aid instruments. This includes the World Bank's [Afghanistan Reconstruction Trust Fund \(ARTF\)](#), through which 75% of international funding to the country is channelled. L4P also produced a range of analytical products in advance of a major [pledging conference](#) in November 2020. As part of this work, the project produced [analysis](#) of the pressures on non-governmental and civil society organisations and recommendations for the creation of a new consultative forum with government. These recommendations have since been taken up by the United Nations Assistance Mission in Afghanistan (UNAMA), with further L4P support and convening assistance.

Our experts brought critical insights to important debates about the need to rethink fragility, including providing reflections on the latest [OECD States of Fragility](#) report and the new [US Fragility Strategy](#), both of which [generated debate and facilitated direct engagement with OECD stakeholders](#), notably on [digitalisation, young people and fragility](#). We also shaped policy debates on the regulation of digital platforms and business in conflict-affected/fragile situations, through publications ([It takes two to tango](#)) and facilitation of public events as part of ODI's [Global Reset dialogues around youth, mis/disinformation and violence in the digital age](#).

In June 2020, ODI established the [Centre for the Study of Armed Groups](#). Through original research and policy analysis, the Centre is engaging policy-makers and operational actors on real-world issues and on-the-ground dilemmas posed by engagement with armed groups. The Centre convened events and policy dialogues on [armed group responses to the Covid-19 pandemic and insurgent justice](#). Publications include a [briefing note](#) on how to include non-state actors in humanitarian norm development processes and a [working paper](#) on Taliban attitudes and policies towards education. Our analysis has been regularly cited by media outlets internationally, including [Foreign Policy](#), [The Washington Post](#), [The Economist](#), [Reuters](#), [NBC News](#) and [The Guardian](#).

Humanitarian leadership and coordination in a complex crisis

The tenth Ebola outbreak in the Democratic Republic of Congo lasted almost two years – much longer than assumed at the start – and became the second-largest outbreak in the world, killing over 2,000 people. ODI's independent analysis – [The Democratic Republic of Congo's 10th Ebola response: lessons on international leadership and coordination](#) – was commissioned at the end of the outbreak to investigate the effectiveness of international leadership and coordination, and why it took so long for the outbreak to be brought under control. The study, conducted in partnership with a local research organisation, [Research Initiatives for Social Development \(RISD\)](#), built

on ODI's previous work on the [2014–2016 Ebola outbreak in West Africa](#), which found similar blockages to an effective response.

The partnership approach with RISD, a reference group of key stakeholders and a high-level roundtable with representatives from donors and the IASC strengthened engagement and buy-in for our recommendations. This helped to promote an earlier understanding of the need for a holistic, multi-sectoral approach to Ebola responses, which was implemented from the outset in subsequent outbreaks.

A key approach to the dissemination of this work was ensuring greater access and inclusivity. The report was published in French and English and accompanied by blogs ([here](#), [here](#) and [here](#)) and short videos ([here](#), [here](#), [here](#) and [here](#)) to expand the audience and engage the public. We also held a [public webinar](#) with RISD, which included live interpretation in French and English, and a fifth of the audience at the webinar was from the DRC.

5 Promote digital governance and rights

ODI's digital societies work aims to contribute to the development of frameworks that balance governance of online content and behaviours, while upholding freedoms and ensuring transparency, accountability and compliance.

As part of our Global Reset programme, ODI helped shape the debate around the complex links between digital rights and human rights, particularly in regions where rising inequality, weak digital governance and low levels of trust in institutions have created ideal conditions for populism.

We put the positive role that digitalisation plays in young people's peacebuilding firmly on the map with our event on [digital youth peacebuilding: why it matters](#) – highlighting the considerable problems human rights defenders face from online intimidation and developing suggestions for what can be done about it. Our roundtable on mis- and disinformation laid the groundwork for our well-received infographic on [10 things to know about misinformation and disinformation](#).

Building on ODI's Global Reset Dialogue: Future Voices project, we launched a [digital campaign](#) to unearth young people's views on the skills they need to access jobs and improve their businesses. This helped shape debates during the AU's African Youth Month in November 2020.

[Our global consultation on how youth are using digital technologies](#) and our [research on youth and tech](#) highlighted the double disadvantage faced by young people: unequal or inadequate digital infrastructure, and the affordability of digital technologies. Our approach of supporting young people to engage with decision-makers has directly influenced discussions within national youth engagement groups in Ghana and Uganda.

6 Reshape global leadership and inspire new coalitions

Recovery from the pandemic offers an opportunity to advance a long-overdue overhaul of global cooperation structures and ways of working. Instances of multilateral innovation have invariably emerged from systemic crises. Global cooperation needs reshaping from the ground up, bringing together new coalitions to bridge global and local, digital and analogue, state and non-state, and including activists and political actors. ODI focuses on rethinking multilateral mechanisms and linking local, national and global leadership in support of a fair and sustainable future for all.

Supporting a more locally led aid model

ODI's Humanitarian Policy Group (HPG) has built up a wealth of evidence and understanding on promoting local humanitarian action and local leadership in humanitarian crises. This includes the report [From the ground up](#) and policy work on [rethinking how humanitarian capacity](#) is understood to support more complementarity between international and local actors.

Through this long-standing investment in [research](#) and [strategic convening](#), and strong relationships with key donors and stakeholders, we have established ODI as a centre of knowledge and expertise on locally led aid models. This has enabled us to engage directly with influential bilateral donors and [international NGOs](#), offer an honest assessment of progress and put forward recommendations for moving forward. Our experts are working on initiatives to encourage donors to work collectively on strategies to enable more local humanitarian action. This includes providing new incentives for international NGOs and UN agencies to reshape their partnerships and collaboration with local and national actors in humanitarian crises. This policy engagement is underpinned by research, including work with the [Humanitarian Advisory Group](#), supported by the Dutch government.

During the Covid-19 pandemic, international travel and access restrictions led to expectations that the [role of local humanitarian actors](#) would advance significantly, including through greater funding. With support from the [Global Futures Council on the New Agenda for Fragility and Resilience at the World Economic Forum](#), HPG set up an innovative [online mapping tool](#) to track the contributions of local actors during the pandemic and monitor movement towards a more local aid model. The study concluded that, while Covid-19 did not provide the required shock to shift practice in the humanitarian system, there is some evidence of incremental change on this long-term, political agenda.

Adaptive leadership

ODI's work on adaptive management and Thinking and Working Politically has been instrumental in increasing interest in and support for [Adaptive Leadership](#), particularly in the Covid-19 response, beyond the development policy and practice community. As part of [this work](#) we convened a [high-level panel including WHO's special envoy on Covid-19](#), attended by over 350 people from 35 countries. This was followed by a [Harvard Business Review article](#) setting out five principles to guide adaptive leadership.

ODI produced a [paper](#) analysing how the FCDO's governance programme in Nigeria has pivoted to respond to the pandemic. Our work with CARE, KPSRL and Oxfam focused on the need to understand the governance dimensions of the Covid crisis and

its impact on the quality of democracy and the underlying social contract. This highlighted important lessons to inform future governance programming, including avoiding linear assumptions about how change happens and the need to understand much more fully how power and political dynamics shape prospects for potential transformation.

We have also continued to encourage politically smart and adaptive ways of working within donor organisations. Through the LearnAdapt project, we have developed guidance for FCDO staff on how to design and manage adaptive programmes, alongside advisory work with the New Zealand Ministry of Foreign Affairs and IrishAid.

The Mayors Dialogue

Within a year of establishing [The Mayors Dialogue on Growth and Solidarity: reimagining human mobility in Africa and Europe](#), ODI has brought together 20 cities and mayors in Africa and Europe, highlighted fresh perspectives and catalysed new partnerships on Africa–Europe relations. This includes developing innovative city-to-city partnerships in the fashion and textile sectors, infrastructure and transport and waste management.

ODI has used its expertise in strategic convening and policy influencing to support the Mayors and the objectives of the dialogue. We raised the Mayors' public profiles in a [World Economic Forum op-ed](#) and a [panel discussion co-hosted with LSE](#), covered by [Rai News](#). With our support, Giuseppe Sala, the Mayor of Milan, and Freetown Mayor Yvonne Aki Sawyerr spoke at high-level events, including the [Green Talks](#) organised by the Portuguese Presidency of the EU and the European Investment Bank. We are particularly pleased to have used the dialogue to elevate the crucial role that cities play in a more equitable Africa–Europe partnership within global policy agendas ahead of the AU/EU summit next year.

Maintaining our external visibility

In ODI's 60th anniversary year we set out to challenge decision-makers and thought leaders to reflect differently about global challenges. The Covid-19 pandemic has accelerated the need for systemic change and radical yet realistic measures to recalibrate social values and provide more sustainable and equitable pathways for the future.

Through our [#GlobalReset dialogues](#) we convened a series of virtual conversations to interrogate global challenges and chart the practical steps required to create more resilient, equal societies and reimagine a world beyond the pandemic. Highlights included interventions from leading voices, such as Melinda Gates, Malala Yousafzai, Kristalina Georgieva, Laurence Tubiana, Mary Robinson, Joseph Stiglitz, Shirin Ebadi and Muhammad Yunus, as well as young thought leaders and activists. The #Global Reset dialogues had nearly 100,000 visits over the year, with the long-form conclusions showcasing the most compelling debates using illustrations and multimedia. The social campaign in March attracted over 105,000 impressions and resulted in new followers and acquisitions for the website.

Our #GlobalReset dialogues showed that the challenges we aim to address will not be solved through a narrow focus on development and humanitarian action. So, in March

2021, we refreshed our brand in line with our ambition to establish ODI as a global affairs think tank with a unique and international perspective.

As part of the rebrand, ODI chose to consciously move away from using its full name, to distance itself from its post-colonial origins and reflect its international presence and multidisciplinary approach. This will enable ODI to build on the robust reputation it has earned and adapt and respond to global challenges.

Along with the brand refresh, we also launched a new website, featuring a clean, minimalist design, enabling us to showcase our research and elevate our ideas. Centred around usability and engagement, the launch set the foundations for a more user-friendly and accessible experience.

Over the year we secured over 4,220 media hits, up 41% from the previous year. Coverage included commentary on the DFID-FCO merger, the humanitarian response to Covid, political developments in Afghanistan, China's distant water fishing fleet and the G20's progress in phasing out fossil fuels.

During the pandemic, ODI's digital platforms were vital channels to engage audiences around the world, disseminating evidence and expert commentary in response to global events. We attracted over 1.3 million visitors to odi.org (up 13% from the previous year) and 190,000 views of ODI blogs published in 2020–2021, which featured 148 pieces of commentary from ODI experts and partners. Views of all blogs on the website increased by 68%.

Our top performing piece of commentary, [Covid-19: we won't get back to normal because normal was the problem](#), by Sara Pantuliano, garnered over 17,000 views (almost 10,000 more than the previous year's most read commentary) and was widely quoted online and in the media.

Our social media channels attracted over 180,000 followers, with new strategies resulting in a growth in engagement. LinkedIn was our best performing channel, acquiring over 15,000 new followers on the previous year.

ODI continued to experiment with new digital formats. Our data visualisation illustrating the contribution to the Covid-19 response was shared widely and was recognised in an exhibition by the V&A exploring the power of design. The updated Principled Aid Index data visualisation and animation received over 11,000 visits and was widely covered in the media. The animation received nearly 1,400 views, an increase of 15%.

ODI's convening shifted entirely online during the last year, a move which saw us attract larger, more global audiences than ever before. We hosted 98 events, attended by over 14,000 people from more than 100 different countries. Notable speakers included Anne-Marie Trevelyan, UK Minister of State for Business, Energy and Clean Growth; Carlos Lopes, African Union High Representative for Partnerships with Europe; David Nabarro, WHO Special Envoy on Coronavirus Response; Inger Andersen, Executive Director, United Nations Environment Programme; Razia Khan, Chief Economist Africa at Standard Chartered; Helen Clark, former Prime Minister of New Zealand and former UNDP Administrator; and Simon Coveney, Ireland's Minister for Foreign Affairs and Trade.

We produced almost 250 research publications sharing new evidence and ideas on a range of global issues. There were over 37,000 downloads of ODI publications, with research responding to the Covid-19 pandemic attracting the most readers.

Despite the challenges of the pandemic, ODI has engaged in a number of high-level events over the past year. Our Chief Executive represented ODI at the first online Davos conference in January, where she joined a televised panel on Resetting digital currencies and spoke at a session on Building inclusive, sustainable, and job-creating growth in Africa, with President Nana Addo Dankwa Akufo-Addo of Ghana. Sara also represented ODI at the World Humanitarian Forum on a panel on Redefining the humanitarian system and system change, and was asked to help launch the Freedom Fund report on modern slavery at a high-level roundtable.

ODI has continued to engage in discussions around the future of UK development and 'Global Britain'. We brought together Commonwealth governments to share experiences following the creation of the Foreign, Commonwealth and Development Office. Experts also contributed to the debate in the UK parliament, media and civil society around the government's decision to spend less than 0.7% of GNI on ODA.

ODI Fellowship Scheme

The ODI Fellowship Scheme gives postgraduate economists and statisticians the opportunity to work in national public sectors as civil servants. Due to the Covid-19 pandemic, only two new Fellows were posted this year (to Sudan), and many of the 2018–2020 and 2019–2021 cohorts had to be evacuated to their home countries for at least a few months. Fellows demonstrated remarkable resilience, navigating the year's extraordinary challenges while continuing to support their host governments, including through remote working.

In August 2020, an independent [external evaluation of the Fellowship Scheme](#), commissioned by the UK Foreign, Commonwealth and Development Office, highlighted evidence of Fellows achieving significant impacts – from reducing teacher strikes in Guinea-Bissau to helping to avoid over-investment in power generation in Rwanda – and clearly recommended continuation and further investment in the Scheme. The evaluation included detailed case studies of four countries: Guinea-Bissau, Myanmar, Nigeria and Rwanda, selected to cover the very different environments in which Fellows work, and presented findings from online interviews with all former Fellows and their supervisors going back to the 2013–2015 cohort. The report recognised that a key driver in strengthening capacity and implementation know-how was the embedded nature of Fellows. A very distinguished former Finance Minister with extensive experience with ODI Fellows commented:

'The beauty is that Fellows are embedded. It is not Technical Assistance (TA), bringing in external experts. ODI people are embedded in the system and help the system to develop from inside it. It is different from a classic TA approach.'

ODI's presence in Europe

Following our [commitment to expand our presence in Europe](#) following Brexit, and with approval from ODI's Board in 2020, in February 2021 we officially registered ODI Europe as an International Non Profit Association in Brussels. This marks the beginning of an extensive engagement in Europe and its neighbourhood, with a specific focus on Africa in the lead-up to the AU/EU Summit next year.

Our staff and values

ODI began its journey 60 years ago. The Cold War, decolonisation, the birth of development banks and agencies, the green revolution – all created an acute need for evidence and engagement about what was and wasn't working in development. Throughout its growth and evolution, ODI has stood as a key partner to actors and institutions seeking progress and an end to poverty and conflict. To deliver on ODI's ambitions, we will continue to evolve to ensure we are a valuable partner for the future. These changes, guided by the values embedded in our strategy, cover:

- **Commitment to independence.** Our work is independent from our funders. Staff are encouraged to challenge donor thinking and policy and the wider development consensus.
- **An emphasis on quality.** We ensure best practice, innovative approaches and continuous improvement in our research, policy advice, communications and public affairs.
- **Fairness, diversity and equality.** We treat all staff and partners fairly and with respect. We demonstrate sensitivity for the customs, culture and personal beliefs of each other and our stakeholders, valuing inclusion and embracing diversity.
- **Working together.** We continuously seek to foster better relationships throughout the organisation. We believe that, by working together in a supportive environment, we will achieve more and have greater impact.
- **Transparency and accountability.** We report openly on our use of public funds, and fully communicate our work to our donors, research subjects and partners.
- **Sustainability.** We use resources in a sustainable way, conscious of our impact on the environment.

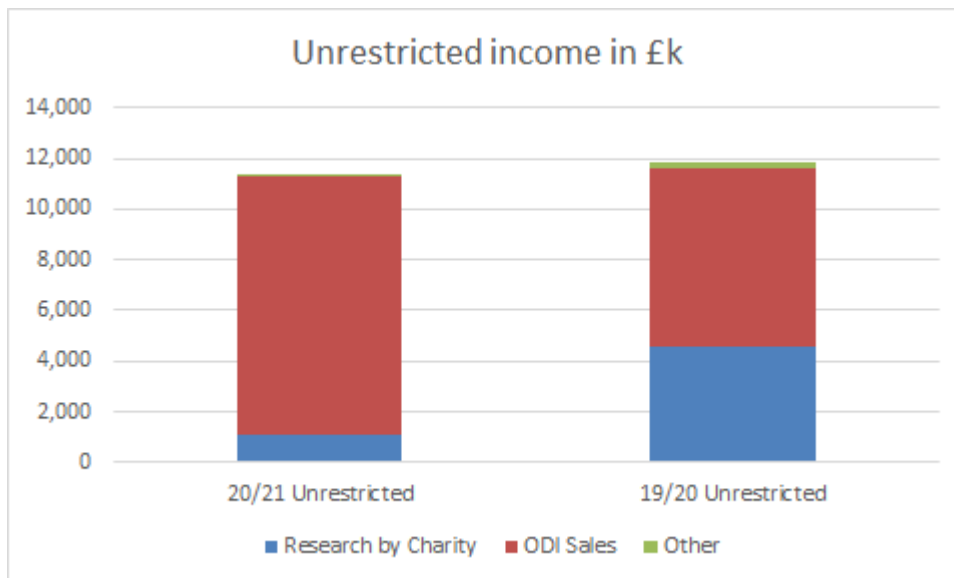
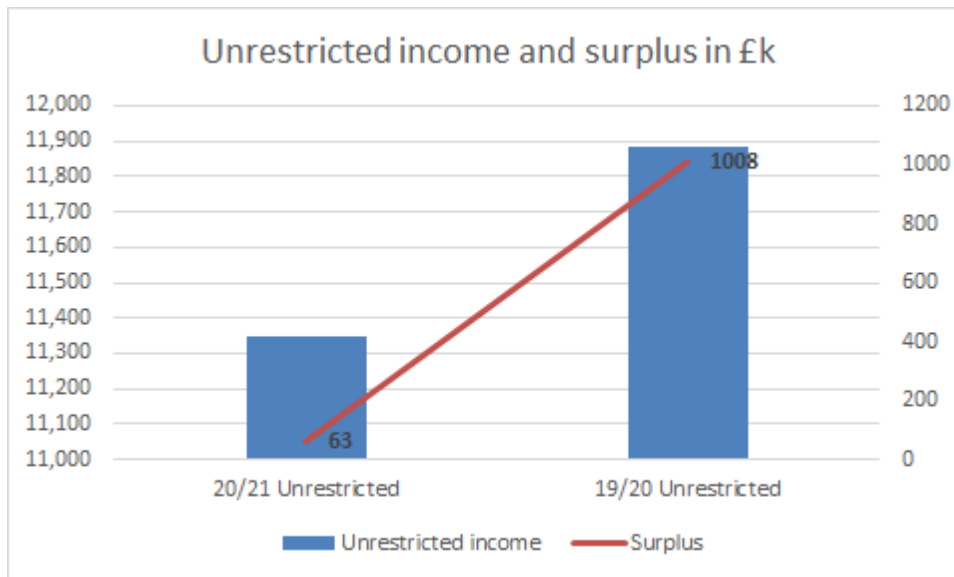
Our people are our greatest asset and our success is testament to their hard work, entrepreneurial spirit, skill and dedication. We aim to:

- Further enhance our inclusiveness and the diversity of our staff and partners through our Diversity Forum.
- Continue the work to reduce our gender pay gap to 5% in either direction.
- Track our carbon footprint and make significant cuts on a clear path to carbon neutrality.
- Ensure that all our publications and digital platforms meet a high standard of accessibility for disabled people and those with impairments.
- Phase out the use of terms such as 'developing' and 'developed', which create false distinctions between countries and communities.

Financial and operational performance

Amid uncertainties related to Covid-19, and with a £436k investment gain, we achieved a modest unrestricted surplus of £63k (2020: £1,008k). Despite the challenging funding and operating environment in 2020, ODI secured income of £35.0 million, slightly down from £35.9m in 2019. Without a matching reduction in costs (see below), ODI's surplus fell broadly in line with the fall in income. Management has responded by embarking on a programme of workstream optimisation and consolidation, as well as cost reduction measures; the impact of these measures will be seen in 2021 and later years.. Overall research income decreased by £789k, although we continue to see growth in activity in ODI's trading subsidiary, ODI Sales, with more research awarded through tender and competition, and growth in our advisory services. ODI Sales is scheduled to gift aid £2.0m to ODI this year (2020: £1.4m). Due to travel restriction and other measures surrounding the pandemic, we also saw venue hire and event income decrease by £191k. The shortfall was offset by an investment gain of £436k.

On costs to deliver research projects, there was a significant reduction in travel costs due to Covid-19 travel restrictions. More work was delivered by subcontractors and research associates, and hence there was an increase in subcontracting costs. That said, overall programme operating expenditure decreased compared to last year. Overall support costs meanwhile increased significantly, from £5.8m to £7.6m, due to professional services staff increases, investments and one-off expenses. During the year, Public Affairs and Communications and Project Management hired additional staff resulting in a £400k increase in staff costs. We invested £167k in our new website, and spent £38k on journal subscriptions and management training. As we successfully renegotiated with the landlord to surrender part of our lease on our office premises, we incurred additional legal fees and recognised the full dilapidation of £310k. Considering the external funding environment, we also wrote off old outstanding debts and increased our bad debt provision of £256k.



We have seen a slight increase in the fund balance within restricted funds. This is partly due to the timing of our funders releasing funding, and partly due to programmes having not spent down accumulated restricted reserves to deliver projects, as a result of the disruption caused by the pandemic. As the future external funding environment remains more challenging, we are reviewing our income generation, including developing a commercial strategy, costs and cost recovery, and have started taking appropriate action to ensure our ongoing financial resilience.

Reserves policy

The Trustees have established a General Reserves Policy which aims to protect our work from risk of disruption, while ensuring that we are using our funds for strategic purposes in a timely manner. The Trustees regularly evaluate the level of reserves, using Charity Commission guidance. The Policy also provides parameters for future strategic plans and contributes towards decision-making. It determines an appropriate target level for general reserves, taking into account the following factors:

- Vulnerability to unplanned changes in financial position, relating to loss of income

and

- One-off costs that are not covered by donors or funders
- New strategic priorities or investment opportunities to achieve our goals.

Based on these factors, our current target range for general reserves is £4.0m–£7m, representing 3–6 months of unrestricted expenditures. The basis of determining the target reserve level was reviewed by the Trustees' Finance, Audit and Risk Committee in November 2020, and will be adjusted as perceptions of risk and other factors change.

Investment policy

ODI's investments are managed by Veritas Investment Limited. The funds are held in a variety of market investments and are being managed in accordance with the risk, liquidity and ethical requirements of ODI. As at 31 March 2021 the investment portfolio was valued at £2.3m (2020: £1.8m). Investment performance is regularly reviewed by the Trustees against a benchmark of CPI +3%. Further details of the investments can be found in note 13 to the financial statements.

Approach to fundraising

The charity is aware of the Charities (Protection and Social Investment) Act 2016 and the Trustees support the aims of this legislation. The majority of the charity's income comes from other charitable and statutory bodies. The charity undertakes very little direct fundraising activity involving individual donors. The charity considers the origin of unsolicited donations and legacies. The charity does not share with or purchase any donor data from third parties. In 2020/21 the charity did not engage with independent professional fundraisers and did not receive any complaints in relation to fundraising or raise any matter with regulators.

Principal risks and uncertainties

As the year 2019/20 ended, the pandemic had forced the closure of our office and staff had to work from home. There was also a risk to our delivery model of not being able to engage in international travel to support research and policy engagement activities. We mitigated the risk by shifting the delivery schedule and adopting different delivery mechanisms. The other major risk we encounter is UK aid budget cuts and potential bilateral aid budget reductions due to the contraction of high-income country economies. We mitigated UK aid budget cuts by reprogramming our deliveries and diversifying our funding streams, including through strategic partnerships.

The Trustees undertake a full risk assessment on an annual basis and monitor progress quarterly. This process is supported by the Finance, Audit and Risk Committee of the Board, which assesses risk in detail at its quarterly meetings. The aim is to identify the major risks to the charity and to ensure that measures are taken to mitigate the impact of these risks as far as is practical. Internal risk-management processes are integrated into the annual business planning and reporting cycle, which has enabled improved decision-making by the Board. The key risks identified by the Board during 2020/21 were:

- **Strategic** – there is a risk that changes in the external environment, not least due to the Covid-19 crisis and reductions in the UK aid budget, will make it more

difficult for ODI to deliver its mission as the international development sector comes under increasing pressure. We continue to mitigate this risk by seeking out new audiences and partnerships.

- **Funding environment** – increasingly challenging commercial procurement practices and contractual terms are placing pressure on ODI's ability to recover the costs of and invest in its core infrastructure. In addition, Covid-19 in the international aid landscape may have a significant impact on us. ODI is working to mitigate this by increasing efficiency and generating new business propositions.
- **Financial resilience** – financial resilience and cashflow are being monitored on a regular basis. Since mid-2020, we have established a process of quarterly closure and management accounts production providing timely financial information for ODI's leadership team for review and course correction when necessary. The quarterly results and associated forecast are also reviewed by the Finance Audit and Risk Committee and by the Board. The Finance Department develops reports providing relevant information to aid decision-making.
- **Operational delivery** – risks around operational delivery include threats to traveller safety in 'high-risk' countries as designated by the FCDO, and the possible financial and reputational impacts of the failure of a major high-profile contract. Travel security remains fundamental to our operations, and our systems for ensuring the safety of those who travel are robust. Covid-19 has increased the risks to operational delivery as it has had a profound impact on travel. ODI has an in-house Global Security team who screen and advise on high and extreme risk travel, provide full security inductions, country visits and traveller tracking and respond to incidents involving staff and Fellows covered by ODI's duty of care. Contract management and quarterly financial review processes have been improved to enable the early identification of potential issues.
- **Recruitment and retention** – failure to attract and retain quality human resources is always a potential critical risk for ODI, and needs to be carefully monitored. Our HR team has put in place procedures and structures that allow us to diversify our staffing base and draw in more in-country expertise. An HRBP post specialising in Diversity and Inclusion has been recruited and a Diversity and Inclusion action plan has been developed by our Diversity Forum, with recruitment and retention a primary focus. The appointment of a trustee with HR experience and the establishment of a new committee of the Board, the People Remuneration and Operational Development Committee, in February will allow us to review and seek advice on staff recruitment and retention activities.
- **Safeguarding and conduct** – with recent increased scrutiny in the charity sector over safeguarding practices and reporting of serious incidents, ODI has taken steps to review relevant policies and practices. The appointment of a safeguarding Trustee lead has ensured the Board is aware of developments in safeguarding policies and practices and how ODI is managing this risk. Monthly reporting meetings review processes and any serious potential conduct/safeguarding or other relevant risks.
- **Cyber security** – under remote working, we have placed more emphasis on cyber security. Our Cyber Essentials Certification was renewed in July 2020 and

we have implemented tighter security measures, including multi-factor authentication for almost all staff. Cyber security development is reported to the Finance Audit and Risk Committee on a regular basis.

Future plans

ODI strategy 2021–2025

ODI launched [its new strategy](#) in March 2021. This was developed building on the strategy refresh undertaken the previous year, the changing context following the Covid-19 pandemic, as well as ODI's Global Reset dialogue during 2020–2021. The new strategy is intended to guide ODI's work for the next five years, subject to annual reviews.

Context

We are at a moment of deep socio-political uncertainty, marked by rapidly changing norms, technologies and power structures, affecting everything from consensus on the future of our planet to how people consume food, energy and information. Many of the challenges we face – climate change, violent extremism, polarisation, nationalism and populism, authoritarianism, financial instability, inequalities, pandemics, the future of work, a backlash against human rights, especially women's rights, and racial injustice – affect both rich and poor countries alike, and the relationships between them. These challenges require creative and comprehensive approaches that acknowledge their deeply political nature, linked to vested interests resistant to change.

As a global organisation that seeks positive change in the world, ODI must understand, reflect on and respond to this new reality. Global challenges will not be addressed through a narrow focus on development and humanitarian action. The alignment of national interests, international diplomacy and development assistance is becoming increasingly explicit. Therefore, ODI needs to move beyond the current development aid paradigm. We need to build new partnerships, strengthen our inter-disciplinary capacity, embrace new disciplines and expand into new areas of research to achieve our objectives. And we need to utilise innovative and cutting-edge public affairs and communications to strengthen the influence and intellectual leadership we have built up over the past six decades.

The stage will have to be global even as ODI continues to engage deeply at the country and grassroots levels. But our footprint, staffing and areas of activity must truly reflect this global engagement. We cannot be confined to thinking about, and working in, poor countries from a metropolitan capital.

ODI's guiding long-term direction is:

A dynamic, global think tank that inspires people to act on injustice and inequality through collaborative research and ideas that matter for people and the planet

A global, diverse organisation

Looking ahead, ODI will evolve to make the focus on equity, inclusive growth, social justice and sustainability even more central to what we do. To achieve this, we will need to become a truly global and diverse organisation, with presence and networks in Europe, the US and key emerging economies and markets. We will put greater emphasis on economic, foreign, security, social and other policies affecting marginalised and vulnerable populations.

The key elements of this strategy are:

- **Expand our research and convening** to influence global debates and address challenges facing rich and poor countries alike. We will engage beyond the traditional ‘development sector’ and lower-income countries, and ensure that our research remains ground-breaking and rigorous.
- **Improve our ability to influence policy and practice.** We will invest more, in more effective ways, in our strategic engagement and communications, policy outreach and advisory capacity.
- **Invest in our people.** Develop fit-for-purpose skills and experience, with the right expertise to deliver on our mission as a truly global think tank. Design and foster new, innovative ways of working and a motivated and forward-looking work culture.
- **Strengthen ODI’s environmental sustainability** by tracking, publishing and reducing greenhouse gas emissions as a result of our work practices.
- **Strengthen our financial resilience** by improving our business model and diversifying our client and funding base, as well as improving the efficiency, effectiveness and cohesiveness of our portfolio of projects and activities.
- **Develop new collaborative partnerships** with organisations and individuals in our global network, including private sector organisations that share our commitment and ethos. In low-income countries, we will consciously design collaborative programmes to promote shared objectives and research capacity, and advance mutual financial sustainability.
- **Become a more diverse organisation**, with staff from different countries and cultures, producing work and holding events in different languages and, potentially, representation in countries other than the UK. The new ODI website will showcase a more diverse organisation that features the voices of those we partner with.

Our long-term direction

ODI will lead new thinking and future agendas to deliver transformational change and bring back a global sense of resilient, just and equitable prosperity. We will focus on four overarching global challenges and priorities.

Shaping the future of global cooperation

The pandemic has put the crisis of multilateralism into stark relief. At the same time, it has shown that multilateralism is essential if we are to overcome systemic threats. Multilateral cooperation must be revitalised and reset with human rights and justice at the centre, paying as much attention to community-level organisations and locally

elected leaders including mayors as to the large global bodies. There is an urgent need to advance long-overdue reform of global cooperation structures, to which ODI can contribute through its research, global networks and convening power.

Tackling the climate, environment and biodiversity crisis

We must stay within planetary boundaries to ensure prosperous, inclusive and resilient societies. More resource-efficient economic and human development will allow people to live healthier, more productive lives, while protecting the planet for generations to come. But the required transformation will be disruptive: some will lose in the short term, while environmental disasters continue to erode development gains. Widespread support for more climate-conscious and biodiversity-friendly development will only succeed if founded in a new social contract that is genuinely inclusive and empowering for all sections of society. ODI can engage in this arena by helping navigate competing visions of a green future to achieve equitable, risk-informed and environmentally sustainable development.

Fostering a more equitable and sustainable global economic order

The problem of equity amid unprecedented global prosperity has acquired an immediate urgency during the pandemic. There is renewed attention to tackling the structural determinants of inequality while harnessing the opportunities presented by the future of work, finance, fiscal and social policy (taxation and social protection) and trade reform. Ideas for a just globalisation must now be the centrepiece of inquiry. ODI can promote and facilitate interdisciplinary engagement and evidence-based debates to advance a broad consensus on what constitutes a more equitable economic system that works for people and the planet, while acknowledging that there can be no blueprint prescription for what this might look like across geographies.

Advancing human rights, addressing conflict and promoting peace

Human rights and a rules-based order are fundamental to building peaceful, just and inclusive societies. Human rights battles are first and foremost political, and understanding how rights are acquired and withheld is key to expanding their reach. ODI will bring political economy perspectives to aid understanding of conflict and fragility, propose policies and actions to advance human rights, social justice and peace, and support humanitarian action and political change, particularly in conflict-affected and violent settings.

Digitalisation cuts across these global challenges. The power to gather, process and disseminate information through digital technology and systems can be a huge force for good. But it can also be misused, and its benefits are neither automatic nor evenly spread. The poorest and most vulnerable are least likely to benefit from the digital transition, raising the risk that it simply deepens marginalisation and entrenches inequality. Digitalisation can also be misused, to misinform, to create conflict, to engage in acts of cyber attrition, to deny identities and to restrict privacy and liberty. We will explore how technology can be harnessed for the greater good, and identify ways to monitor and reduce its potential to damage the positive outcomes – justice, equality and inclusion – that we seek.

Our five-year objectives

If we are to fulfil the long-term direction set out above, we must aim to meet the following medium-term objectives by 2025:

1. ODI delivers high-quality, internationally recognised research, informs policy design and convenes leadership across the five global challenges identified above. We will:
 - b Ensure that all ODI programmes focus on building resilient, just and inclusive economies and societies. We will engage in policy debates, open new conversations and strengthen global networks and partnerships in these areas, making a powerful contribution to our long-term direction.
 - c Organise our programmatic work, advisory services and convening capabilities to deliver on our global priorities, with digital transition as a cross-cutting theme.
 - d Broaden our remit beyond development, and reflect this in our work programme, partnerships and alliances. We will convene and publish non-ODI voices from countries less represented on the global stage and cultivate a wider, more geographically diverse pool of partners and collaborators from a variety of disciplines and backgrounds. We will engage funders actively to explore different ways of working and develop new forms of partnership.

ODI is a global think tank with a global footprint. We will:

- a Work closely with partner institutions to design and deliver outputs. We will recruit and locate more staff outside the UK and standardise multilingual dissemination of major research and communication outputs. We will work with non-English-speaking partners to improve dissemination of our work in other languages.
- b Establish ODI presence in other global or regional hubs, either directly, as recently in Brussels, or through strategic partnerships.

ODI is a financially sustainable and resilient organisation. We will:

- a Continue to diversify our income base and engage with non-UK funding partners. We will deliver fee-based research to private sector partners, where this does not conflict with our core mandate.
- b Strengthen commercial advisory services and engagement with impact investors. This will be a key feature of our business development.
- c Increase cost recovery and margins on all ODI work through better costing and competitive pricing, better project budgeting and focused business development.
- d Secure a more cost-effective office arrangement for our London HQ.
- e Build our reserves to the levels mandated by the Board over the medium term.

ODI is a more effective, sustainable, diverse and inclusive organisation. We will:

- a Establish an agile organisation with clear roles, responsibilities and standards and manageable workloads for staff.

- b Promote happy teams and a positive culture that celebrates diversity and promotes inclusion at all levels of the organisation.
- c Improve the effectiveness of leadership and management.
- d Reduce paperwork and bureaucracy, devolving decision-making and empowering staff within a clear framework of behaviour, performance and accountability.
- e Improve ODI's own environmental sustainability by tracking, publishing and reducing greenhouse gas emissions as a result of our work practices.

Our priorities for FY 2021–2022

Considering the new strategy and its five-year action plan, as well as reviewing the current operating context, ODI senior management have identified the following priorities for the next year, which are organised under the four objectives of the strategy.

Objective 1: ODI delivers internationally recognised research, policy design and convening leadership across the five global challenges

- **Priority 1.1:** Successfully launch the new strategy and brand, building on the outcomes of the ODI@60 series, to position ODI for the future
- **Priority 1.2:** Deepen ODI's engagement as a key player within global processes in each of the five global challenge areas, including having influence on the COP26 climate change conference and on global economic recovery following the Covid-19 pandemic
- **Priority 1.3:** Make progress in decolonising ODI's research and policy work

Objective 2: ODI is a global think tank with a discernible global footprint

- **Priority 2.1:** Advance ODI's shift towards a genuinely global organisation, prioritising and pacing how we move forward

Objective 3: ODI is a financially sustainable and resilient organisation

- **Priority 3.1:** Continue progress with funding diversification
- **Priority 3.2:** Further develop and strengthen ODI's business model to move the business forward in new and better ways
- **Priority 3.3:** Ensure ODI's financial sustainability

Objective 4: ODI is a more effective, sustainable, diverse and inclusive organisation internally

- **Priority 4.1:** Strengthen ODI's internal culture and staff engagement
- **Priority 4.2:** Improve ODI's internal diversity and inclusion
- **Priority 4.3:** Develop and launch organisational change plans to attract and diversify staffing and to ensure an appropriate workforce

Structure, governance and management

Group constitution

ODI was founded in 1960 and is a charitable company limited by guarantee. The Charity has a wholly owned trading subsidiary, ODI Sales Limited, which provides an alternative corporate mechanism to further the charitable objectives of ODI. ODI Sales Limited has a Board of three Directors, who are also Trustees for the Charity. Both the Charity and the trading subsidiary have a Memorandum and Articles of Association as their governing documents.

The Board of Trustees

ODI is governed by a Board of up to 12 Trustees. The terms of reference for the Board are to maintain the values of the organisation and set the overall strategy and direction. The Board monitors the performance of the Institute and its management and appoints the Chief Executive. On 1 October 2020, there was a change of Board Chair from James Cameron to Sir Suma Chakrabarti.

Trustee recruitment and training

Trustees can serve for up to three terms of three years on the Board. ODI aims to maintain a balance among the Trustees to include research, academic, business and political expertise and knowledge, as well as diversity. Trustees are both Charity Trustees and Directors under company law. In order to maintain an effective Board with the appropriate skills and experience, the Trustees strengthened the approach to skills evaluation this year. During the year the Board appointed an independent Trustee to the ODI Sales Board and created two committees to review and support ODI's capacity and capability in research and building human capital. At present the Board has 11 Trustees.

The Board has committed to compliance with the Charity Governance Code. Following a self-assessment in 2019 against the 7 principles of the code, the Board agreed a number of changes to its recruitment processes, and ways of working. The Board conducted a further self assessment of Board effectiveness in 2020

Organisational structure and reporting

The Board meets formally four times a year and is responsible for strategy, reviewing progress against business and strategic plans, financial results versus the budget, final income and expenditure for the year, new or amended policies, risk management and other applicable current projects. Its role is to direct and guide management. It also

meets informally at least once each year to review strategic priorities and deepen the understanding of specific research and advisory projects.

The Board has the following sub-committees:

- Finance, Audit and Risk Committee, which meets at least four times a year in advance of each Board meeting.
- The Reward and Remuneration Committee, which meets at least once a year to assess staff pay awards and SLT salaries. This was superseded in February 2021 with the establishment of the People, Remuneration and Operational Development Committee (PROC).
- The Nominations Committee, which meets once or twice a year depending on requirements, and makes recommendations to the Board for new potential Trustees.
- Research and Policy Quality and Impact Committee is being established to focus on our research and policy quality.

Management is responsible for the day-to-day running of ODI, the implementation of policy and ensuring that goals and objectives are attained. The Chief Executive is supported by a Senior Leadership Team (SLT). The role of SLT is to provide strategic leadership of the Institute. This involves:

- Developing the strategic vision and annual business plans with the Board and in line with ODI's mission, and ensuring that progress is monitored.
- Maximising the strengths and capacity of the organisation and overseeing the delivery of value for money.
- Managing reputation, risk and change.
- Taking strategic decisions on research programmes, fundraising, public affairs, finance, human resources, IT and premises.

During the year, ODI appointed an internal auditor to provide independent assurance that our risk management, governance and internal control processes are operating effectively. The internal auditor reports to FARC directly and attends FARC meetings.

The Directors of Programmes and Heads of Department are an important component of the organisation's management framework. They are at the forefront of ODI's mission and business and are responsible for much of the organisation's direct fundraising, research and advisory support and line management of research staff.

Setting remuneration

Our staff drive ODI's success. In order to ensure that ODI remains competitive within the marketplace we undertake regular benchmarking against comparable organisations. This exercise covers all staff, including executive remuneration, and is undertaken by the Hay group. The results of the benchmarking are analysed alongside our internal operational performance to understand the remuneration options available. These form the basis of recommendations that are discussed by SLT and the Board. Salaries for senior staff are then discussed at the Reward and Remuneration Committee. Full details of staff costs for the year are shown in note 9 to

the financial statements. During the year, ODI did not give an organisation-wide pay increase.

Disabled employees

Full and fair consideration is given to the employment of people with disabilities, having regard to their aptitudes and abilities. Wherever possible continuing employment is provided for employees who become disabled, with appropriate arrangements for retraining where necessary. Disabled employees have representation on the staff Diversity Forum.

Employee involvement

ODI places significant emphasis on its employees' involvement in the business at all levels. All employees are kept informed of issues affecting the Institute through formal and informal meetings. Regular staff meetings are held to discuss matters of current interest and concern with employees. The reform process launched last year, ODI Futures, was strongly centred on the engagement of staff and consultation with stakeholders in the process through small workstream teams, broader consultation through surveys, interviews and focus meetings, and regular progress discussions with staff. To improve inclusion and diversity a Diversity Forum has been established to develop, oversee and monitor the newly created Inclusion and Diversity action plan.

Public benefit

In setting objectives and planning ODI's activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Members' liability

The Members of the charitable company comprise the Trustees and in the event of the Charity being wound up, the current Trustees, and those who have left the Board in the previous year, are required to contribute an amount not exceeding £1.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the affairs of the group; the incoming resources and their application, including the income and expenditure of the group. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently;
- observed the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities);
- made judgements and estimates that are reasonable and prudent; and
- noted that applicable UK Accounting Standards have been followed and any material departures disclosed and explained in the financial statements and prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that: so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware, and that they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information. This confirmation should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are also responsible for the maintenance and integrity of the Charity and financial information included on the ODI website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' report has given a comprehensive account of how ODI used high quality applied research, practical policy advice and policy-focussed discussion and debate to promote poverty reduction, the alleviation of suffering and the achievement of sustainable livelihoods, in line with ODI's 2018-21 strategy.

The Trustees' Report was approved by the Trustees on 19 July 2021 and signed on their behalf by:

S. Chakrabarti

Sir Suma Chakrabarti, Chair

Reference and administration details

ODI Charity Board of Trustees	<p>Sir Suma Chakrabarti - Chair (appointed Chair on 25 June 2020)</p> <p>James Cameron (resigned as Chair 7 December 2020)</p> <p>Martin Tyler (retired 7 December 2020)</p> <p>Elizabeth Ondaatje (retired 7 December 2020)</p> <p>Yves Daccord</p> <p>Dianna Melrose</p> <p>Sam Sharpe</p> <p>Fiona Thompson</p> <p>Shantayanan Devarajan</p> <p>Dominic McVey</p> <p>Irene Khan</p> <p>Hannah Meadley-Roberts (Appointed 5 October 2020)</p> <p>Frannie Leautier (Appointed 7 December 2020)</p>
ODI Sales Ltd (Trading Subsidiary) Board of Directors	<p>Dominic McVey – Chair (appointed as Chair 7 December 2020)</p> <p>Martin Tyler (retired 7 December 2020)</p> <p>Sam Sharpe</p> <p>Fiona Thompson</p> <p>Marc Berryman – Independent Director (appointed 7 December 2020)</p>
Chief Executive	Sara Pantuliano
Senior Leadership Team	<p>Ashley Wang (Finance Director)</p> <p>Christopher Williams (Director of Professional Services)</p> <p>Jon Mitchell (Managing Director – Programmes & Management)</p> <p>Rathin Roy (Managing Director – Research & Policy, appointed 1 September 2020)</p>
Company Secretary	<p>Nengi Ofo (maternity cover appointed 12 March 2020 until 16 June 2020)</p> <p>Teja Zbikowska (appointed 16 June 2020)</p>
Register and principal office	<p>203 Blackfriars Road</p> <p>London</p> <p>SE1 8NJ</p>

Telephone	020 7922 0300
Facsimile	020 7922 0399
Website	www.odi.org
Email	odi@odi.org
Charity registration	661818 (England and Wales)
Charity registration	228248
ODI Sales Ltd Company registration	7157505 (England and Wales)
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	National Westminster Bank plc Commercial Banking 3 rd Floor Cavell House 2a Charing Cross Road London WC2H 0NN
Investment managers	Veritas Investment Management LLP Riverside House 2a Southwark Bridge Road London SE1 9HA
Solicitors	Blake Lapthorn New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG

Independent auditors' report to the members of Overseas Development Institute

Opinion

We have audited the financial statements of Overseas Development Institute for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statements 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's net movement in funds, including the 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 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. The other information comprises the information included in the Report of the Trustees. 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 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 Report of the Trustees (which includes the strategic report and the directors' 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 Report of the Trustees have 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 group charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 by the parent charitable company; or
- the parent charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 33 and 34, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

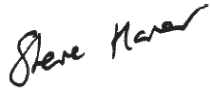
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the cut-off of income recognised to consider whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including those related to the recognition of income and the recognition of provisions (including those related to the defined benefit pension scheme liability and the bad debt provision)

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.

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.



Steven Harper (Senior Statutory Auditor)
10 Queen Street Place
For and on behalf of Haysmacintyre LLP, Statutory Auditor
London
EC4R 1AG

Date 30 July 2021

Consolidated Statement of Financial Activities (including income and expenditure account) – for year ended 31 March 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Income from							
Charitable activities - Research and Fellowship scheme	3	1,086	23,610	24,696	4,604	24,059	28,663
Investments		41	-	41	47	-	47
Other trading activities	4	10,197	-	10,197	7,019	-	7,019
Other income		24	-	24	215	-	215
Total income		11,348	23,610	34,958	11,885	24,059	35,944
Expenditure on							
Charitable activities - Research and Fellowship scheme	5	3,394	22,706	26,100	5,395	25,497	30,892
Other trading activities	8	8,267	-	8,267	5,585	-	5,585
Total expenditure before pension deficit revaluation		11,661	22,706	34,367	10,980	25,497	36,477
Movement in provisions	17	60	-	60	(178)	-	(178)
Total expenditure		11,721	22,706	34,427	10,802	25,497	36,299
Net income before transfers and investment gains / losses		(373)	904	531	1,083	(1,438)	(355)
Net realised and unrealised gains/(losses) on revaluation and disposal of investments	13	436	-	436	(75)	-	(75)
Net movement in funds		63	904	967	1,008	(1,438)	(430)
Total funds brought forward at 1 April		3,480	7,480	10,960	2,472	8,918	11,390
Total funds carried forward at 31 March		3,543	8,384	11,927	3,480	7,480	10,960

A separate statement of financial activities is not prepared by the Charity itself, following the exemption afforded by section 408 of the Companies Act 2006. In the year under review, the Charity made an unrestricted surplus of £63k (2019: £1,008k). All of the results in the consolidated statement of financial activities are derived from continuing activities. The Statement of Financial Activities includes all gains or losses recognised during the year. The notes on pages 44 to 68 form part of these financial statements.

Balance Sheet – at 31 March 2021

Company number: 661818

	Notes	Charity 2021 £'000	Group 2021 £'000	Charity 2020 £'000	Group 2020 £'000
Fixed assets					
Tangible assets	12	618	618	890	890
Investments	13	2,273	2,273	1,818	1,818
		<u>2,891</u>	<u>2,891</u>	<u>2,708</u>	<u>2,708</u>
Current assets					
Debtors	14	9,033	7,453	10,629	12,161
Short-term deposits		4,381	4,381	3,398	3,398
Cash at bank and in hand		932	4,648	203	852
		<u>14,346</u>	<u>16,482</u>	<u>14,230</u>	<u>16,411</u>
Creditors					
amounts falling due within one year	15	(3,764)	(5,900)	(4,491)	(6,672)
Net current assets		<u>10,582</u>	<u>10,582</u>	<u>9,739</u>	<u>9,739</u>
Amounts falling due in more than one year					
Pension liability	17	(1,546)	(1,546)	(1,487)	(1,487)
Total net assets		<u>11,927</u>	<u>11,927</u>	<u>10,960</u>	<u>10,960</u>
Represented by:					
Unrestricted funds					
Designated funds	18	618	618	890	890
General funds		2,925	2,925	2,590	2,590
		<u>3,543</u>	<u>3,543</u>	<u>3,480</u>	<u>3,480</u>
Restricted funds					
	18	8,384	8,384	7,480	7,480
		<u>11,927</u>	<u>11,927</u>	<u>10,960</u>	<u>10,960</u>

The notes on pages 44 to 68 form part of these financial statements.

Approved by the Board of Trustee on 19 July 2021 and signed on their behalf by:

S. Chakrabarti

Sir Suma Chakrabarti, Chair

Consolidated cash flow statement – for year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	A	<u>4,861</u>	<u>(1,681)</u>
Cash flows from investing activities:			
Dividends and interest from investments		(42)	(46)
Purchase of property, plant and equipment		-	(176)
Proceeds from sale of investments		-	-
Purchase of investments		<u>(40)</u>	<u>(36)</u>
Net cash provided by / (used in) investing activities		<u>(82)</u>	<u>(258)</u>
Change in cash and cash equivalents in the reporting period	B	<u>4,779</u>	<u>(1,939)</u>

Notes to consolidated cash flow statement

A. Reconciliation of net income / (expenditure) to net cash flow from operating activities

Net income / (expenditure) for the reporting period, adjusted for:

Net cash provided by/(used in) operating activities	531	(355)
Depreciation	272	221
Dividends and Interest receivable	41	46
Investment management fees	21	21
Increase / (decrease) in debtors	4,707	(3,661)
Increase / (decrease) in creditors	(711)	2,047
Net cash provided by / (used in) operating activities	<u>4,861</u>	<u>(1,681)</u>

	At 31 Mar 2021 £'000	Changes in Year	At 31 Mar 2020 £'000
B. Analysis of changes in cash and cash equivalents			
Short-term deposits (less than three months)	4,381	983	3,398
Cash at bank and in hand	4,648	3,796	852
Total cash and cash equivalents	<u>9,029</u>	<u>4,779</u>	<u>4,250</u>

Notes to the financial statements – for year ended 31 March 2021

1. Principal accounting policies

- a Basis of preparation – The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland. The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated below.
- b Preparation on a going concern basis – The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of the financial position, reserve levels and future plans give the Trustees confidence that the charity remains a going concern.
- c Basis of consolidation – These financial statements consolidate the results of the Charity and its wholly owned subsidiary, ODI Sales Limited, on a line by line basis. A separate statement of financial activities is not prepared by the Charity itself, following the exemption afforded by section 408 of the Companies Act 2006. In the year under review, the Charity made an unrestricted surplus of £63k (2020: surplus of £1,008k).
- d Income recognition – Income is recognised once the charity is legally entitled to the funds, when receipt is probable and when the amount receivable can be measured reliably. Income receivable under contract for services is recognised to the extent that the relevant work has been performed. Income received in advance of work performed is deferred and income that has been earned but not invoiced is accrued. Grants and donations given for specific purposes are credited to a restricted fund, against which expenditure for that purpose is charged. Any residual amount remaining at year-end is carried forward as a restricted fund, in-line with the terms of the donor. Where a restricted grant requires that conditions are met before entitlement to the income passes, the funds are treated as a Performance Related Grant. In such instances income is recognised to the extent that ODI has entitlement.
- e Investment income – Investment and other income is recognised on a receivable basis once the amounts can be reliably measured. This is normally upon the receipt of confirmation from the bank or investment broker.
- f Expenditure – All expenditure is accounted for on an accrual basis. Resources expended on Charitable Activities comprises all expenditure directly relating to the objectives of the ODI and includes the cost of supporting charitable activities and projects. Wherever possible, costs are directly attributed to specific activities. Certain shared support costs which cannot be directly attributed are apportioned to charitable activities on the basis of staff employed in those activities.
- g Tangible fixed assets & depreciation – All tangible fixed assets with a cost of more than £3,000 and with an expected useful life exceeding one year are capitalised. Tangible fixed assets are stated at costs less depreciation.

1. Principal accounting policies (continued)

- Depreciation is provided using the straight-line method over the following estimated useful lives:
- Leasehold improvements – over the remaining life of the lease
 - Furniture, fixtures and fittings – 5 years
 - Computer equipment – 3 years
 - Computer software – 3 years
- h Investments – Investments in the form of listed investments are initially shown in the financial statements at market value. Movement in the market value of such investments are shown as unrealised gains or losses in the Statement of Financial Activities. Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. The investment in the subsidiary undertaking, ODI Sales Limited, is stated at cost.
- i Cash and short-term deposits – Cash and short-term deposits include short-term, highly liquid assets. The Charity operates a corporate sweep where any excess cash on the sterling account at the end of each working day is transferred to a money market account (or deficiency in cash is transferred from a money market account). The balance on the money market account is classified as a short-term deposit.
- j Creditors and provisions – Creditors 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 can be measured or estimated reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.
- k Fund accounting – Funds held by the charity are classified as one of:
- Designated funds: These are unrestricted funds, which have been designated for specific purposes by the Trustees.
 - Unrestricted funds: Funds that can be used in accordance with the charitable objectives of the Charity.
 - Restricted funds: Funds that can only be used in accordance with the specific restriction imposed by funders. Such restrictions arise when specified by the funder or when funds are raised for a specific purpose.
- l Foreign currencies – Assets and liabilities 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 of exchange prevailing at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.
- m Leased assets – Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.
- n Staff holiday accrual – A provision is maintained to cover the liability arising from holiday that staff accrue but have not taken at the year-end. This provision is calculated based on the value of the days carried forward, to the extent that it is approved within the Charity's staff policies.

1. Principal accounting policies (continued)

- o Pension costs – The two principal pension schemes for ODI's staff are the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL).
 - o USS – With effect from 1 October 2016, USS changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual organisation and a scheme-wide contribution rate is set. ODI is therefore exposed to actuarial risks associated with other organisations' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "employee benefits", ODI therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contribution payable to the scheme. Since ODI has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, it recognises a liability for the contributions payable that arise from the agreement (to the extent that they related to the deficit).
 - o SAUL – SAUL is a defined benefit scheme which is independently managed. It is not possible to identify an individual employer's share of the underlying assets and liabilities of SAUL. ODI accounts for its participation as if it were a defined contribution scheme and pension costs are based on the amounts actually paid in accordance with Section 28 of FRS 102. ODI is not expected to be liable to SAUL for any other current participating employer's obligation under the Rules of SAUL, but in the event of an insolvency of any participating employer with SAUL, an amount of any pension shortfall in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.
- p Redundancy and termination payments – Payments for redundancy and termination are made in compliance with statutory requirements and ODI policies. In exceptional circumstances, payments may be made in addition to the minimum statutory obligation. Any such payments would require approval either from the Senior Leadership Team or from the Trustees in compliance with statutory requirements and ODI policies.

2 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates have been made for the following items:

- a. Pension scheme deficit – As disclosed in note 20, ODI is required to recognise a liability relating to the deficits of the two pension schemes. The calculation of ODI's contribution to the deficit depends on several factors including salary increases, growth of staff numbers and the discount rate on corporate bonds. Management estimates these factors in determining the net pension provision in the balance sheet.

2 Significant judgements and estimates (continued)

- q. Bad debt provision – Trade debtors included in the balance sheet are based on actual amounts less a provision for bad debts. The provision is calculated based on providing for specific debts that, at the date the accounts were signed were deemed not to be recoverable, and then a percentage of the balance as a general provision, which the management team deem to be a reasonable estimate of the amount that may or may not have to be written off in future periods. The Institute will review the factors supporting these estimates and will amend the estimates in future accounting periods as and when deemed necessary.
- c. Going concern – The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. They have made this assessment in respect to a period of one year from the date of approval of these financial statements. The Trustees have concluded that there are no material uncertainties related to events of conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. They are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due. In making this assessment the Trustees have paid particular attention to the impact that the Covid-19 pandemic has had and may have on the group and charity. The most significant areas of judgement that affect items in the financial statements are detailed above.

3. Income from research activities and the Fellowship scheme

Income for the year is broken down as follows:

	2021	2020
	£'000	£'000
Research grants & project finance	32,092	31,765
Fellowship scheme	2,802	3,898
	<hr/>	<hr/>
Group research grants and project finance receivable	34,894	35,663
	<hr/>	<hr/>
ODI Sales Limited research grants and project finance receivable (note 4)	(10,197)	(7,000)
	<hr/>	<hr/>
Charity research grants and project finance receivable	24,697	28,663
	<hr/>	<hr/>

3. Income from research activities and the Fellowship scheme (continued)

The following funders requested that their research grants be noted in the accounts. The amount may not be the same as recognised in the Statements of Financial Activities due to timing differences.

		2021	2020
		£	£
Abt Associates pvt Ltd	Invest in Women: Peer Review	-	1,464
Agence Francaise de Development (AFD)	Manage AlgOpenSO	-	258,746
Australian Department of Foreign Affairs and Trade (DFAT)	Active Learning Network for Accountability and Performance (ALNAP)	261,712	277,016
Australian Department of Foreign Affairs and Trade (DFAT)	Humanitarian Policy Group (HPG) Integrated Programme	162,520	256,126
Australian Department of Foreign Affairs and Trade (DFAT)	L4P / Supporting Peace in Afghanistan / Lessons for Peace: Afghanistan	527,775	450,000
Australian Department of Foreign Affairs and Trade (DFAT)	ODI support to GoV 2018 onwards	41,234	146,481
Australian Department of Foreign Affairs and Trade (DFAT)	ReliefWatch: Prototyping alternative approaches to accountability in aid	350	16,456
British Red Cross	Humanitarian Policy Group (HPG) Integrated Programme	5,000	5,000
Canadian Department of Foreign Affairs, Trade and Development (DFATD)	Active Learning Network for Accountability and Performance (ALNAP)	58,280	57,170
Canadian Department of Foreign Affairs, Trade and Development (DFATD)	CIFSRF End Phase 2	-	288,928
Canadian Department of Foreign Affairs, Trade and Development (DFATD)	GAC: ALIGN	90,692	116,561
Canadian Department of Foreign Affairs, Trade and Development (DFATD)	GAC: Cuba Pathways to Gender Equality	-	23,312
Canadian Department of Foreign Affairs, Trade and Development (DFATD)	Humanitarian Policy Group (HPG) Integrated Programme	154,598	143,207
Danish International Development Agency (DANIDA)	Active Learning Network for Accountability and Performance (ALNAP)	30,305	28,539
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	GIZ - Evaluation	-	25,279

3. Income from research activities and the Fellowship scheme (continued)

		2021	2020
		£	£
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Literature review - the interplay between employment promotion and migration	-	22,384
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Sectoral Agricultural Policy and food security	-	33,733
European Bank for Reconstruction and Development (EBRD)	Fellowship Albania (II)	81,332	20,234
UK Foreign, Commonwealth and Development Office (FCDO)	AG - Innovation and Adaptation	110,105	271,592
UK Foreign, Commonwealth and Development Office (FCDO)	Assessing and managing opportunities and risks from the Belt and Road Initiative and China's International Economic Response to COVID-19	174,812	-
UK Foreign, Commonwealth and Development Office (FCDO)	Data Driven Response to the Covid-19, Climate Change and Food Security Nexus	158,783	-
UK Foreign, Commonwealth and Development Office (FCDO)	Fellowship Scheme 2015-2021	2,370,923	3,346,892
UK Foreign, Commonwealth and Development Office (FCDO)	Gender and Adolescence: Global Evidence	2,173,889	3,398,159
UK Foreign, Commonwealth and Development Office (FCDO)	Global Learning for Adaptive Management (GLAM)	302,426	602,013
UK Foreign, Commonwealth and Development Office (FCDO)	Learning Evidencing and Advocacy Programme (LEAP)	1,940,632	1,128,107
UK Foreign, Commonwealth and Development Office (FCDO)	Learning lessons from the International Water Stewardship Programme (IWaSP)	-	87,341
UK Foreign, Commonwealth and Development Office (FCDO)	Migration for Development	51,339	48,867
UK Foreign, Commonwealth and Development Office (FCDO)	ODI/ATPC partnership	514,709	283,373

3. Income from research activities and the Fellowship scheme (continued)

		2021	2020
		£	£
UK Foreign, Commonwealth and Development Office (FCDO)	ODI-DFID Economic Transformation	56,840	191,866
UK Foreign, Commonwealth and Development Office (FCDO)	PRINDEX - Securing Citizens' Property Rights around the World	113,435	777,091
UK Foreign, Commonwealth and Development Office (FCDO)	Quantifying Tenure Risk - The Business Case for Responsible Investment on Tenure	78,241	39,657
UK Foreign, Commonwealth and Development Office (FCDO)	REACT – UK-Russia Exchange on Climate Change Transition: Moscow, Meshchera Lowlands	145,589	-
UK Foreign, Commonwealth and Development Office (FCDO)	Research and Innovation and Hub on Technology for Education (EdTech)	4,178,163	1,348,891
FCDO Rwanda	Poverty Dynamics in Rwanda	-	224,823
FCDO Uganda	Supporting Reforms to the Financing of Local Service Delivery in Uganda	268,740	1,252,364
FCDO Zambia	Poverty Dynamics in Zambia	252,994	168,663
FCDO Zimbabwe	Poverty Dynamics in Zimbabwe	85,394	-
Federal Foreign office Germany	Active Learning Network for Accountability and Performance (ALNAP)	255,654	155,247
Fiji Ministry of Industry, Trade and Tourism	Support to MITT Fiji	-	6,930
Fijian Competition and Consumer Commission	FCCC - ODI Fellowship Scheme	275	6,930
Fondation Botnar	Addressing the mental health needs of adolescents in schools, in the community and at institutional level in Tanzania and Vietnam through the co-creation of digital technologies	174,755	-
Humanity Inclusion	Humanity Inclusion	-	3,000
IKEA Foundation	Enabling the CRRF implementation in Ethiopia, Kenya, Rwanda and Uganda	-	329,974
IKEA Foundation	Humanitarian Policy Group (HPG) Integrated Programme	221,239	327,812
IKEA Foundation	Public Narratives Phase 2	14,850	
International Fund for Agricultural Development (IFAD)	IFAD_Finance for rural development	-	312,193

3. Income from research activities and the Fellowship scheme (continued)

		2021	2020
		£	£
IRC PAPAU NEW	ODI Fellow to IRC	-	7,300
Ireland Department of Foreign Affairs	ODI Strategic Partnership	153,440	-
Ireland Department of Foreign Affairs and Trade	GCRF South-South Migration, Inequality and Development Hub	60,000	60,000
Ireland Department of Foreign Affairs and Trade	Humanitarian Policy Group (HPG) Integrated Programme	134,554	129,156
MacFadden and Associates Inc	Active Learning Network for Accountability and Performance (ALNAP)	-	16,037
Ministry of Education, Youth and Sport Timor Leste	Support to Ministry of Education TL	41,505	20,432
Ministry of Finance, Timor Leste	ODI Fellow to MoF 2018-2020	87,512	176,248
Ministry of Finance, Timor Leste	ODI Fellows in Ministry of Finance TL	41,425	81,122
Namibia Nature Foundation	NNF - ODI Fellowship Scheme	15,249	30,430
New Zealand Aid Programme	Active Learning Network for Accountability and Performance (ALNAP)	-	2,640
Omidyar Network	PRINDEX - Securing Citizens' Property Rights around the World	-	773,048
Open Society Institute	OSF: Mayors Dialogue	128,792	39,805
Oxfam UK	Humanitarian Policy Group (HPG) Integrated Programme	-	15,000
Particip GMBH	Evaluation of Danish Funding for Climate Change Mitigation in Developing Countries	60,400	-
Peace Research Institute Oslo	Aligning Migration Management and the Migration-Development Nexus (MIGNEX)	132,883	90,438
Secretary Of State For Health & Social Care	ODI Fleming Fund	238,761	100,000
SOS Sahel	Humanitarian Policy Group (HPG) Integrated Programme	3,000	-
Swedish International Development Cooperation Agency (Sida)	Active Learning Network for Accountability and Performance (ALNAP)	215,091	213,971
Swedish International Development Cooperation Agency (Sida)	Budget Strengthening Initiative (BSI) Liberia	436,834	394,232
Swedish International Development Cooperation Agency (Sida)	Humanitarian Policy Group (HPG) Integrated Programme	172,073	171,177

3. Income from research activities and the Fellowship scheme (continued)

		2021	2020
		£	£
Swedish International Development Cooperation Agency (Sida)	Inclusive, Sustainable Economic Transformation: Creating an ODI Nexus	437,660	-
Swiss Agency for Development and Cooperation (SDC)	Active Learning Network for Accountability and Performance (ALNAP)	20,000	25,000
Swiss Federal Department of Foreign Affairs	Humanitarian Policy Group (HPG) Integrated Programme	266,000	266,000
The Bill and Melinda Gates Foundation	Country finance: Enabling better learning across three public finance issues	993,457	-
The Bill and Melinda Gates Foundation	Delivering effective development against multidimensional poverty	268,740	1,185,453
The Bill and Melinda Gates Foundation	International finance: To provide thought leadership and evidence on international development finance	835,301	-
The Bill and Melinda Gates Foundation	Research and Innovation and Hub on Technology for Education (EdTech)	399,370	231,915
The Ministry of Foreign Affairs Belgium	Active Learning Network for Accountability and Performance (ALNAP)	45,551	44,808
The Ministry of Foreign Affairs Denmark	Humanitarian Policy Group (HPG) Integrated Programme	145,804	144,007
The Ministry of Foreign Affairs Netherlands	Active Learning Network for Accountability and Performance (ALNAP)	50,000	50,000
The Ministry of Foreign Affairs Norway	Humanitarian Policy Group (HPG) Integrated Programme	183,734	-
Trade Mark East Africa	TMEA-ODI research partnership for a period of 2020-2023	36,325	-
UN Refugee Agency (UNHCR)	Active Learning Network for Accountability and Performance (ALNAP)	11,244	11,244
UN Women	Regional Platform on Gender and Prevention of Violent Extremism	-	126,688
United Nations Children's Fund (UNICEF)	Active Learning Network for Accountability and Performance (ALNAP)	7,087	7,087
United Nations Development Programme - Yemen	Yemen Economic Tracking Initiative	34,753	-
United Nations Office for Project Services	Agricultural Technology Disruptors in East African Value Chains	17,229	60,988
United States Agency for International Development	Active Learning Network for Accountability and Performance (ALNAP)	582,154	592,031

3. Income from research activities and the Fellowship scheme (continued)

		2021	2020
		£	£
United States Agency for International Development	Case study of the Response to the Democratic Republic of Congo Ebola Virus Disease Outbreak	198,546	-
United States Office of Foreign Disaster Assistance	Humanitarian Policy Group (HPG) Integrated Programme	313,807	429,102
University of Manchester	African Cities Research Commission	71,068	-
University of Manchester	Covid-19 Social Science Research Evidence Platform	13,865	-
Wellspring Philanthropic Fund	Humanitarian Policy Group (HPG) Integrated Programme	154,441	162,633
Wellspring Philanthropic Fund	PRINDEX - Securing Citizens' Property Rights around the World		92,766
World Food Programme	Active Learning Network for Accountability and Performance (ALNAP)	10,247	10,247
World Vision International	Humanitarian Policy Group (HPG) Integrated Programme	8,113	8,215

4. Income from trading subsidiary

The Charity has a wholly owned subsidiary, ODI Sales Limited, which is incorporated in the UK. It engages in activity that furthers the mission and objects of the Charity. A summary of the full trading result of the company is shown in note 8 to the accounts but a breakdown of the research income of ODI Sales Limited is provided below:

	2021	2020
	£'000	£'000
Research grants and project finance	10,194	7,000
Publications and other income	3	19
Total Income from Trading Subsidiary	10,197	7,019

5. Expenditure

	2021 £'000	2020 £'000
a) Research and dissemination		
Direct project costs		
Staff costs (note 9)	8,699	8,556
Temporary staff	67	145
Research fees payable to consultants and related costs	12,198	10,163
Knowledge exchange and dissemination	2,613	4,369
Travel	869	3,375
Other costs	83	390
	<u>24,529</u>	<u>26,998</u>
Support costs allocation (note 7)	7,417	5,772
Group research and Fellowship costs	31,946	32,770
ODI Sales Limited research costs	(8,260)	(5,580)
	<u>23,686</u>	<u>27,190</u>
b) Fellowship activities and services		
Supplementation award costs	1,620	2,711
Staff costs (note 9)	238	259
Support costs allocation (note 7)	145	118
Other costs	411	614
	<u>2,414</u>	<u>3,702</u>
Total charitable expenditure	<u>26,100</u>	<u>30,892</u>

6. Governance costs

Auditors' remuneration	39	34
Legal fees	76	30
Other costs	2	5
	<u>117</u>	<u>69</u>

7. Support costs

Staff costs (note 9)	3,553	2,847
Staff overheads	640	548
Premises	1,564	1,378
Depreciation	272	221
Governance (note 6)	117	69
Other costs	1,416	827
	<u>7,562</u>	<u>5,890</u>

The above support costs are apportioned to charitable activities on the basis of the number of staff members employed by each activity as follows:

Support costs allocation:		
Research and dissemination of information	7,417	5,772
Fellowship activities and services	145	118
	<u>7,562</u>	<u>5,890</u>

8. ODI Sales Limited

The Overseas Development Institute owns the entire called up share capital of ODI Sales Limited, a trading company registered in England and Wales, Company Registration Number 7157505, incorporated on 15 February 2010. A summary of the trading results of ODI Sales Limited for the year ended 31 March 2020 are given below. All taxable profits each year are distributed to the Charity.

	2021	2020
	£'000	£'000
Income	10,197	7,019
Cost of sales	(8,260)	(5,580)
Gross profit	1,937	1,439
Administrative expenses	(7)	(5)
Operating profit	1,930	1,434
Gift Aid donation to parent undertaking	(1,930)	(1,434)
Surplus / Deficit for the financial year	-	-

9. Staff costs and Trustees' remuneration

a) Staff costs during the year were as follows:

Wages and salaries	9,593	9,082
Redundancy and termination payments	8	120
Social security costs	1,071	1,027
Pension costs	1,818	1,433
	12,490	11,662
Temporary and other staff costs	300	235
	12,790	11,897

b) Staff costs by function (excluding temporary staff) was as follows:

	£'000	£'000
Research and Fellowship scheme	8,937	8,815
Support	3,553	2,847
	12,490	11,662

c) The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2021	2020
£60,001 - £70,000	14	12
£70,001 - £80,000	12	13
£80,001 - £90,000	4	3
£90,001 - £100,000	4	3
£100,001 - £110,000	1	4
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-

Pension costs include an additional contribution in respect of the pension deficit of £59,741 (2020: £178,218 offset) as outlined in note 17. The total amount paid to pension providers was £1,295,592 (2020: £1,209,820).

Employee benefits to senior management personnel for the year (including payments to the pension schemes) totalled £756,123 (2020: £614,011).

9. Staff costs and Trustees' remuneration (continued)

d) The total number of employees receiving remuneration during the year, analysed by function, was as follows:

	2021	2020
	£'000	£'000
Research and Fellowship scheme	190	204
Support	69	65
	259	269

e) The average number of employees during the year, analysed by function, was as follows:

Research and Fellowship scheme	162	159
Support	57	49
	219	208

During the year no expenses were reimbursed (2020: £626) for attending board and committee meetings.

No other payments were made to any Trustees in the year ended 31 March 2021.

The Trustees have taken out Trustee indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to ODI.

10. Net movement in funds

	2021	2020
	£'000	£'000
This is stated after charging:		
Auditors' remuneration:		
- Current year statutory audit services – ODI	32	29
- Current year statutory audit services – ODI Sales Limited	7	5
- Other audit and accounting services	36	22
	75	56
Depreciation		
Operating lease rentals:		
- Premises	1,005	960
- Equipment	8	8

11. Taxation

The charitable activities, as it falls within the various exemptions available to registered charities.

The subsidiary, ODI Sales Limited, distributes its taxable profits, if any, to ODI each year.

12. Tangible fixed assets

Group and Charity	Leasehold Improvements	Furniture & Fittings	Computer Equipment	Computer Software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2020	1,216	637	679	527	3,059
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2021	1,216	637	679	527	3,059
Depreciation					
At 1 April 2020	717	632	676	144	2,169
Charge for year	97	2	1	172	272
Disposals	-	-	-	-	-
At 31 March 2021	814	634	677	316	2,441
Net book values					
At 31 March 2021	402	3	2	211	618
At 31 March 2020	499	5	3	383	890

13. Investments

Group and Charity	2021	2020
	£'000	£'000
Listed investments:		
Market value at the start of the year	1,818	1,878
Cost of new investments	39	39
Investment management fees paid from the portfolio	(21)	(24)
Unrealised gain on investments	436	(75)
Disposal in year	-	-
Market value at the end of the year	2,272	1,818
Historical cost of listed investments at 31 March	1,328	1,310

The listed investments are held with a fund manager, who has authority to buy and sell shares and bonds subject to the restrictions as noted in the organisation's investment policy. The market value of the portfolio held by the investment manager on behalf of the organisation was £2,272,532

At 31 March 2020 the Charity owned 10 £1 shares, being the entire called up share capital, of ODI Sales Limited, which is incorporated in the UK. As this is the total value of the Unlisted Investments, it does not affect the consolidated figures. ODI Sales engages in activity that furthers the mission and objects of the Charity. A summary of the financial results of the company is shown in note 8.

14. Debtors

	Charity	Group	Charity	Group
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Grants receivable and accrued income	4,309	7,032	6,153	11,493
Other debtors	7	32	170	170
Prepayments	389	390	495	499
Amount due from subsidiary	4,328	-	3,811	-
	9,033	7,454	10,629	12,162

15. Creditors

	Charity	Group	Charity	Group
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Trade creditors	2,074	3,285	2,211	3,571
Social security and other taxes	288	528	286	703
Deferred income	-	557	-	265
Accruals and other creditors	1,402	1,530	1,994	2,133
	3,764	5,900	4,491	6,672

16. Deferred income

Deferred income arises when the organisation receives funds which do not meet the conditions required for them to be recognised as income within the period. Where such funds are received they are recognised as cash with a corresponding liability within creditors. As the recognition criteria are met the funds are released to income.

Deferred income as at 1 April	-	265	-	-
Release during the year	-	(1,224)	-	-
Income deferred in the year	-	1,516	-	265
Deferred income as at 31 March	-	557	-	265

17. Provisions and liabilities

As a result of adopting FRS 102, the organisation is required to recognise a liability relating to the deficits within the USS pension scheme of which it is a member. The value of the provision is calculated based upon the present value of the organisation's future contributions towards the deficit recovery plans: These contributions are set by the scheme administrators and are included within the annual contributions payable, as follows:

The deficit recovery plan, based on the latest actuarial valuation, is to run until 2031. Of the employer contribution of 21%, 2.1% goes towards reducing the deficit. The liability is calculated based on salary growth of 2% a year and a discount rate of 4%.

	Charity	Charity
	2021	2020
	£'000	£'000
Opening pension provision at 1 April	1,487	1,665
Provision utilised during the year and unwinding of discount factor	59	(178)
Pension provision as at 31 March	1,546	1,487

18. Funds

	At 31 March			Unrealised		At 31 March
	2020	Income	Expenditure	gains/(losses)	Transfers	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
<i>Designated</i>						
Tangible fixed assets fund	890				(272)	618
<i>General</i>						
Income and expenditure account	2,590	11,348	(11,721)	436	272	2,925
	3,480	11,348	(11,721)	436	-	3,543

18 Funds (continued)

Restricted funds	At 1 April	Income	Expenditure	At 31 March	Income	Expenditure	Unrealised	Transfers	At 31 March
	2019			2020					2021
	£'000	£'000	£'000	£'000	£'000	£'000	gains/(losses)		£'000
Advancing Learning and Innovation on Gender Norms Project	-	(117)	-	117	169	(91)	-	-	195
AFD-ODI partnership 2018-2020	(32)	(16)	-	48	-	(48)	-	-	-
AG - Innovation and Adaptation	-	(275)	272	3	111	(110)	-	-	4
Agricultural Policy Research in Africa	(10)	(14)	24	-	35	(35)	-	-	-
Agricultural Technology Disruptors in East African Value Chains	(57)	(61)	107	11	17	(28)	-	-	-
Aligning Migration Management and the Migration-Development Nexus	(294)	(90)	115	269	-	(133)	-	-	136
Active Learning Network for Accountability and Performance (multi-funder)	(960)	(1,367)	1,989	337	1,661	(1,487)	-	-	512
Asia-Pacific Workplan	(1)	(14)	1	14	(14)	-	-	-	-
Assessing the potential of civil organisations within regions affected by organised crime	(12)	(28)	40	-	-	-	-	-	-
Beyond Neoliberalism	(117)	(71)	120	69	1	(36)	-	-	34
BMG Effective Financing	(1,207)	(471)	484	1,194	269	(1,463)	-	-	-
BMG Leave No One Behind	-	(299)	299	-	-	-	-	-	-
BMGF 3.0: Country finance	-	-	-	-	993	(104)	-	-	889
BMGF 3.0: International finance	-	-	-	-	835	(82)	-	-	754
Break Out States and Ladejinsky project	(97)	-	80	17	121	(29)	-	-	110
BSI Liberia	(848)	(394)	908	334	437	(615)	-	-	156
BSI Mali- Inception Phase	(207)	-	204	3	-	(3)	-	-	-
Cash - Preliminary Market Consultation	(10)	-	10	-	-	-	-	-	-
CBI Flagship Product on Complex Emergencies and Manmade Disasters	(7)	-	7	-	-	-	-	-	-
China's Secret Fishing Fleet	(48)	-	47	2	-	(2)	-	-	-
Corporate Water Stewardship	(6)	-	6	-	-	-	-	-	-
Deepening Democracy Programme	(2)	(15)	17	-	-	-	-	-	-
DEGRP Phase 2	(156)	(398)	307	247	265	(406)	-	-	106
Disaster risk financing	0	(46)	46	-	-	-	-	-	-
Education in Emergencies	(14)	(24)	37	-	-	-	-	-	-
Eliminating fossil fuel subsidies	(102)	(151)	224	29	30	(59)	-	-	-
EOY Learning Partnership	(38)	(2,043)	873	1,209	-	(879)	-	-	329
Extremes and Disasters Programme (BRACED)	(335)	(2,587)	2,921	-	-	-	-	-	-
EU Sudan	-	-	-	-	866	(62)	-	-	804
EU Uganda	-	-	-	-	727	(326)	-	-	401
FCDO: Migration for Development	-	(49)	18	31	22	(51)	-	-	2
Fellowship (Bill and Melinda Gates Foundation)	(89)	-	11	78	-	(7)	-	-	72
Fellowship Scheme 2015-2021	(96)	(3,941)	3,877	160	2,761	(2,702)	-	-	219
Fellowship - Timor Leste	-	(38)	38	-	-	-	-	-	-

18 Funds (continued)

Restricted funds	At 1 April	Income	Expenditure	At 31 March	Income	Expenditure	Unrealised	Transfers	At 31 March
	2019			2020					2021
	£'000	£'000	£'000	£'000	£'000	£'000	gains/(losses)		£'000
Fondation Botnar : Addressing the mental health needs of adolescents ir	-	-	-	-	383	(175)	-	-	209
Ford Foundation: ALIGN microgrants funding	-	-	-	-	78	(32)	-	-	46
Future of Fragile States	(2)	-	2	-	-	-	-	-	-
GCRF South-South Migration, Inequality and Development Hub	(59)	(160)	219	-	353	(353)	-	-	-
Gender and Adolescence (GAGE)	(805)	(2,924)	3,368	361	2,041	(2,170)	-	-	232
Grand Bargain 2021 (Charity)	-	-	-	-	85	(42)	-	-	43
HelpAge	(4)	-	4	-	-	-	-	-	-
HIV, SRH, child marriage mapping in Ethiopia	(12)	-	12	-	-	-	-	-	-
HPG Integrated Programme	(432)	(571)	-	1,003	1,925	(1,797)	-	-	1,131
IDRC- Shaping macro-economy	-	-	-	-	214	(106)	-	-	108
IFAD Finance for rural development	-	(312)	58	254	40	(294)	-	-	-
IKEA: Public Narratives Phase 2	-	-	-	-	148	(15)	-	-	133
IRIN - SIDA	(12)	-	12	-	-	-	-	-	-
LBT Economic Empowerment in the Philippines	(17)	(77)	94	-	-	-	-	-	-
Inclusive Financial Development and Growth	-	(5)	4	1	8	(8)	-	-	1
Initiative on public narratives on refugees and migrants	(140)	-	65	75	-	(75)	-	-	-
Irish Aid strategic partnership 2021	-	-	-	-	314	(19)	-	-	295
Long-term responses to the Rohingya refugee crisis: Refugee rights, voices, and the role of regional	-	(19)	9	10	(10)	-	-	-	-
Met Office Forecast-based Early Action	-	(119)	117	2	-	(2)	-	-	-
Managing ODA graduation	(31)	(102)	133	-	-	-	-	-	-
NERC KE Fellowship	-	(70)	70	-	33	(33)	-	-	-
ODI/ATPC partnership	-	(283)	276	7	515	(515)	-	-	7
ODI-DFAT Insitutional partnership	(121)	13	-	108	-	(32)	-	-	76
ODI-DFAT Diagnostic Tool	(3)	-	3	-	-	-	-	-	-
Oil, gas and poverty roundtable	(5)	-	5	-	-	-	-	-	-
Pathways to Gender Equality and Poverty Reduction for Women and Girls	(33)	(23)	56	-	-	-	-	-	-
Phasing out plastics production and use	(132)	-	106	26	-	(26)	-	-	-
Poverty Dynamics in Zambia	-	(169)	154	15	253	(181)	-	-	87
PRINDEX - Securing Citizens' Property Rights around the World	(48)	(1,643)	1,337	355	405	(364)	-	-	395
Prindex India - Integrating Land Governan	-	-	-	-	29	(1)	-	-	28
Provision of Professional Services for Leveraging Social Assistance and Delivering Energy Access	(14)	(128)	142	-	-	-	-	-	-

18. Funds (continued)

Restricted funds	At 1 April		At 31 March		Income £'000	Expenditure £'000	Unrealised gains/(losses)	Transfers	At 31 March 2021 £'000
	2019 £'000	Income £'000	2020 £'000	Expenditure £'000					
RBS: Supporting the Mayors Dialogue	-	-	-	-	290	(165)	-	-	126
Reducing Root Causes of Conflict	(9)	(36)	45	-	2	-	-	-	2
ReliefWatch	(125)	(16)	141	-	-	-	-	-	-
Research and assistance partnership	(10)	(52)	62	-	-	-	-	-	-
Research on Adolescent Girls in Refugee Settings	-	(57)	25	32	58	(26)	-	-	63
Research on the gender dynamics of trafficking in the Greater Mekong Subregion	(64)	-	64	-	-	-	-	-	-
Senior-Level Course on Conflict and Humanitarian Response	-	(37)	34	4	1	(4)	-	-	-
Shock responsive social security cash	(4)	-	4	-	-	-	-	-	-
SIDA Nexus	-	-	-	-	438	(71)	-	-	367
Social norms and adolescent girls: evidence and tools platform	(666)	-	429	236	-	(236)	-	-	-
Star Ghana Programme	(5)	(53)	43	14	4	(18)	-	-	-
Strengthening the knowledge base - ECW	-	(170)	151	19	-	(19)	-	-	-
Supporting Reforms to the Financing of Local Service Delivery in Uganda	-	(1,262)	1,262	-	446	(446)	-	-	-
Taliban policymaking	-	-	-	-	94	(17)	-	-	77
TaxDev II	-	(507)	507	-	511	(511)	-	-	-
Technical Assistance on Taxation and Tax Auditing in West Africa	(537)	0	403	135	174	(308)	-	-	-
Thanzi la Onse - WORK PACKAGE 2	-	(23)	23	-	-	-	-	-	-
The Global Compact on Refugees and Cox's Bazar	-	(49)	49	-	-	-	-	-	-
University of California: Discover	-	(3)	3	-	-	-	-	-	-
UNOSSC_architecture of South-South Coop	-	(18)	17	1	4	(5)	-	-	-
UNWomen - Regional Platform on Gender	(27)	(63)	90	-	-	-	-	-	-
Urban Energy Transitions Research Programme	(85)	(76)	80	81	7	(87)	-	-	-
When disasters and conflict collide	(216)	(150)	366	-	-	-	-	-	-
Wilton Park - Transboundary Risk	(13)	-	13	-	-	-	-	-	-
Women in the Gig Economy	(28)	-	28	-	-	-	-	-	-
Women on the Bench: The Role of Female Judges in Fragile States	(5)	(31)	31	6	32	(38)	-	-	-
Women Win: Goal Programme Impact Study	(8)	(44)	52	-	-	-	-	-	-
Other research projects	(503)	(2,308)	2,249	562	5,434	(5,761)	-	-	236
Total restricted funds	(8,918)	(24,059)	25,497	7,480	23,610	(22,706)	436	-	8,384
				10,960	34,958	(34,427)	436	-	11,927

18 Funds (continued)

Analysis of net assets between funds at 31 March 2021

	£'000	£'000	£'000	£'000
Tangible fixed assets	-	618	-	618
Fixed asset investments	2,273			2,273
Net current assets	2,199	-	8,384	10,583
Provisions	(1,547)			(1,547)
Total net assets	2,925	618	8,384	11,927

Analysis of net assets between funds at 31 March 2020

Tangible fixed assets		890		890
Fixed asset investments	1,818			1,818
Net current assets	2,259		7,480	9,739
Provisions	(1,487)			(1,487)
Total net assets	2,590	890	7,480	10,960

Unrestricted Funds

Designated fund

Designated funds represent monies that have been set aside by the Trustees for specific purposes.

Tangible fixed assets fund

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the Charity. These assets are of fundamental importance to the Charity in carrying out its objectives. As such, a decision was made to separate this fund from general funds in order to demonstrate that the value does not comprise assets that can be realised with ease in order to meet ongoing expenditure.

Restricted Funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the relevant fund.

Advancing Learning and Innovation on Gender Norms Project

The purpose of the Project is to support the ODI's Advancing Learning and Innovation on Gender Norms (ALIGN) online platform to curate, generate, and disseminate new research, resources, tools, and outreach activities related to harmful and discriminatory gender norms.

AG – Innovation and Adaptation

LearnAdapt is a collaboration between FCDO, ODI and Brink, to explore how to manage adaptive development programmes better.

Agricultural Technology Disruptors in East African Value Chains

Phase Two of a project to determine the implications for regional integration and inequality within the Enhanced Integrated Framework, the only multilateral partnership dedicated to assisting Least Developed Countries use trade as an engine for growth, sustainable development and poverty reduction.

Aligning Migration Management and the Migration-Development Nexus

Funded by the Peace Research Institute Oslo, to contribute to more effective and coherent migration management through evidence-based understanding of the linkages between development and migration.

Active Learning Network for Accountability and Performance (in Humanitarian Action) (multi-funders)

This fund represents restricted grants from a range of funders to support ODI's ALNAP Programme. Included within the balance carried forward are the payments which were made in advance for the 2021-22 financial year.

18 Funds (continued)

Beyond Neoliberalism

A research project to bring developing country perspectives into the "beyond neoliberalism" debate.

BMG Effective Financing

This subcomponent of the larger Bill & Melinda Gates Foundation-funded project "Delivering Effective Development" examined development cooperation agencies and the delivery of effective financing, providing analysis and advice on how bilateral and multilateral donors and agencies can become better equipped to deal with new global challenges and the evolving development landscape.

BMGF Grant – Supporting public finance through better service delivery, digital & fiscal equity

This grant funds research and convening that aims to support public finance through better service delivery, digital & fiscal equity. The grant is divided into three bodies of work:

- Promoting fiscal equity: policy-focused research and engagement to inform and influence international debates and advice on addressing equity in the design and delivery of tax and social protection systems.
- PFM levers for health: improving the landscape of evidence and knowledge on what works in addressing PFM bottlenecks in the health sector.
- Digital PFM knowledge hub: the expansion of digital innovations in PFM by generating, debating and disseminating knowledge on digitalisation and PFM reform.

BMGF Grant – Financing an inclusive and sustainable global recovery

This grant funds research and convening on how to finance an inclusive and sustainable global recovery. The grant is divided into four bodies of work:

- A reflection on what the Covid-19 crisis has revealed about the underlying failings in the international financing system and the most critical changes needed if there is to be an inclusive recovery from the crisis.
- Helping bilateral aid donors better tailor their strategies to different country contexts.
- The better use of blended ODA so it carries more risk and more holistically supports the development of sustainable markets in the poorest countries and riskiest markets.
- How to provide an effective multilateral finance system, critical for a strong counter-cyclical response to economic recovery from the post-COVID19 crisis.

Break Out States and Ladejinsky project

Educational research on African economic growth in the context of land policy and agrarian investments, looking in particular at profiling and benchmarking break-out states in Africa. The project will also highlight the work of Wolf Ladijinsky, key architect of this model of economic development.

BSI Liberia

This fund represents contributions from a variety of donors towards ODI's Budget Strengthening Initiative Programme which is part of the Centre for Public Expenditure Programme.

BSI Mali – Inception Phase

Fund for an inception phase aimed at laying the groundwork of a longer-term Budget Strengthening Initiative in Mali, looking at budget transparency, public financial management and decentralisation, among other things.

DEGRP Phase 2

Second phase of the FCDO-ESRC Growth Research Programme (DEGRP) which funds research on inclusive economic growth in low-income countries.

18 Funds (continued)

Eliminating fossil fuel subsidies

This fund represents a restricted grant from the KR Foundation in Denmark to support ODI's Climate and Energy Programme's work on the international campaign to eliminate subsidies to fossil fuel production.

EOY Learning Partnership

Economic Opportunities for Youth (EOY) aims to improve the capacity of young people to access and maximise the opportunities available to them.

EU Sudan

This grant supports ODI to provide technical advisory support to the Sudanese Ministry of Finance and Economic Planning. ODI support is focussed on MOFEP's institutional capacity to undertake PFM reforms and coordinate aid delivery; creating a reform roadmap to improve capacities in public finance management; and stabilising the financial sector through asset reviews and a reform strategy. This project complements our work with the British Council in Sudan.

EU Uganda

This grant support ODI to provide technical advisory support to the Government of Uganda that aims to improve local investment and service delivery to citizens by: (i) restoring the adequacy and equity in the discretionary financing of Local Governments (LGs) for investment and service delivery; (ii) strengthening Ministry of Local Government and other Ministry, Department and Agency's capacity to oversee and support LG investment management and service delivery; and (iii) improve LG management of investment and service delivery.

Fellowship Core Funding

This fund represents a restricted grant from DFID to fund ODI's Fellowship Programme.

Fellowship (Bill and Melinda Gates Foundation)

A restricted grant from the Bill and Melinda Gates Foundation to support ODI's Fellowship Programme.

NERC KE Fellowship

A restricted grant from the Natural Environment Research Council (NERC) Knowledge Exchange to enable the sharing and flow of knowledge and expertise between NERC funded researchers and their stakeholders, partners and user communities.

Foundation Botnar: Addressing the mental health needs of adolescents in schools, in the community and at institutional level in Tanzania and Vietnam through the co-creation of digital technologies

The project aims to identify drivers of mental health ill for adolescents in Tanzania and Vietnam and co-create, test and evaluate digital technology solutions to use in the classrooms, communities and local government to improve mental health of young people.

Ford Foundation: ALIGN microgrants funding

One year project building on the ALIGN programme of work around gender norms to fund the award of micro grants to local civil society organisations to support innovative research, convening and policy-oriented products in local context. The outputs are then disseminated globally via the ALIGN digital platform

GCRF South-South Migration, Inequality and Development Hub

This UKRI grant funds research into the relationships between migration and inequality in the context of the Global South.

18 Funds (continued)

Gender and Adolescence (GAGE)

This fund represents a restricted grant from DFID to fund a multi year project to support ODI's Gender and Adolescence Global Evidence Research Programme.

Grand Bargain 2021

A restricted grant from The Ministry of Foreign Affairs Norway to support the fifth Annual Independent Review of the Grand Bargain.

HPG Integrated Programme

This fund represents restricted grants from a range of funders to support ODI's HPG Integrated Programme. Of the £266,000 recognised from the Swiss Federal Department of Foreign Affairs, only £236,000 was received in FY 20/21.

IDRC – Shaping macro-economy

Shaping the macro-economy in response to COVID-19: responsible economic stimuli.

IKEA: Public Narratives

This grant builds on initial funding from the Ikea Foundation for the development of a data visualization of migrant key workers contributions to the Covid-19 response and to conduct research to create profiles of country-level attitudes to migration. This grant will support further country-level research in Europe and Africa.

Irish Aid strategic partnership 2021

This project is a strategic partnership between ODI and Irish Aid focused on key emerging challenges and issues in development cooperation.

ODI/ATPC partnership

An accountable grant to support a research and assistance partnership between the African Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (ECA) and ODI.

Poverty Dynamics in Zambia

Mixed methods research into poverty dynamics in the context of Covid-19 in Zimbabwe, focusing on vulnerability and resilience. Research products delivered by this project will contribute to evidence-based decision-making, and pro-poor programming and policy development.

PRINDEX – Securing Citizens' Property Rights around the World

The Global Property Rights Index is an initiative of ODI and Land Alliance supported by Omidyar Network, DFID and other donors. It aims to fill the gap in information about individual perception of tenure security by creating a baseline global dataset to support the achievement of secure property rights around the world.

RBS: Supporting the Mayors Dialogue

This is a multi-donor grant which funds the creation of a platform between African and European cities to address issues on migration and social issues in an urban context, specifically in the context of Africa-Europe relations.

Reducing Root Causes of Conflict

Reducing root causes of conflict, instability, and irregular migration.

Research on Adolescent Girls in Refugee Settings

Exploring the economic empowerment for refugee adolescents and youth in the MENA region. With the support of Global Affairs Canada, our research aims to fill gaps and contribute to efforts seeking to support refugee adolescents and youth realise their potential and become active agents of positive change and participate in the development of their communities and host countries.

18 Funds (continued)*SIDA Nexus*

Research & outreach work to explore the connections between (i) inclusion and poverty eradication, (ii) economic transformation and (iii) environmentally sustainable development, in the rapidly evolving context of the global pandemic Covid19.

Social norms and adolescent girls: evidence and tools platform

Multi-year funding provided by the Bill and Melinda Gates Foundation, exploring social norms and adolescent girls.

Supporting Reforms to the Financing of Local Service Delivery in Uganda

Support received to support Inter-Governmental Fiscal Transfer Reforms in Uganda to strengthen budgetary decentralisation processes for improved service delivery.

Taliban policy-making

This project aims to improve understanding of Taliban policies on education. A grant from the Norwegian Ministry of Foreign Affairs to carry out research titled "Taliban Policymaking: Understanding the current processes and future challenges".

Technical Assistance on Taxation and Tax Auditing in West Africa

A project within the framework of the GIZ programme "Regional Resource Governance in West Africa" which seeks to strengthen the ability of GIZ's partner countries Côte d'Ivoire, Guinea, Liberia, and Sierra Leone to better manage their natural resource sectors to the benefit of their populations.

19. Lease commitments

	2021	2020
	£'000	£'000
Group and charity		
Land and buildings		
Operating leases payments which are due:		
- after 5 years	150	270
- between 2 and 5 years	1,905	4,326
- within 1 year	1,040	1,082
	<u> </u>	<u> </u>
Equipment		
Operating leases payments which are due:		
- after 5 years	-	-
- between 2 and 5 years	1	9
- within 1 year	8	8
	<u> </u>	<u> </u>

At 31 March 2020 the Charity had total commitments under a non-cancellable operating leases set out below:

With regard to the lease for land and buildings, the actual payment by the Charity in the year to 31 March 2021 will differ from the charge to the statement of financial activities for the year shown above as a consequence of the lease containing a provision for an initial rent-free period.

20. Pensions

Retirement benefits for employees are provided by two independently administered schemes (SAUL and USS), which are funded by contributions from employers and employees. Contributions to the schemes are charged to the statement of financial activities so as to spread the cost of the pensions over the employees' working lives.

20. Pensions (continued)

Under the definitions set out in Financial Reporting Standard 102 Retirement Benefits, the Directors are satisfied that both schemes are classed as multi-employer pension schemes. Accordingly, we have taken advantage of the exemption in FRS 102 and have accounted for the contributions to the schemes as if they were defined contribution schemes. The latest information available for each scheme is set out below.

A multi-employer scheme is a scheme for entities not under common control and represents, typically, an industry-wide scheme such as that provided by both SAUL and USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit), and the resulting expense is recognised in the statement of financial activities.

Because of the mutual nature of both schemes, the schemes' assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. ODI is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The Universities Superannuation Scheme (USS)

ODI participates in the Universities Superannuation Scheme (the scheme). The scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund.

The Directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Since ODI has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, ODI recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

The latest available full actuarial valuation of the scheme was at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method.

Since ODI cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion, indicating a shortfall of £7.5 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings. Full details of the valuation are available on the USS website: <https://www.uss.co.uk/how-uss-is-run/running-uss/funding-uss/actuarial-valuation>

	2017	2016
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£67.5bn	£58.3bn
FRS 102 total scheme deficit	£7.5bn	£8.5bn
FRS 102 Total funding level	89%	85%

20. Pensions (continued)

Superannuation arrangements of the University of London (SAUL)

The Charity also participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme and is contracted-out of the Second State Pension (prior to April 2016). SAUL is an independently managed pension scheme for non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits for all active members are based on each member's Career Average Revalued Earnings (CARE).

The Charity is not expected to be liable to SAUL for any other current participating employer's obligations under the rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due ("Technical Provisions"). The Trustee adopts the assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment and continue to be paid and for commitments which arise from members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changing in the market conditions, cash flow information and new accrual of benefits are being carried out between formal valuations.

The funding principles were agreed in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

As at the last valuation SAUL was fully funded on its technical Provisions basis so no deficit contributions were required. The scheme Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE salaries.