TAX JUSTICE NETWORK

Annual Report 2021

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Administrative information

Company type	Tax Justice Network is a UK-registered private company limited by guarantee without share capital, using the 'Limited' exemption (a non-profit company)
Company number	05327824
Registered office	c/o Godfrey Wilson Ltd, 5th Floor, Mariner House, 62 Prince St, Bristol BS14QD
Directors	John Christensen (resigned 02 August 2021) Alex Cobham Cathy Cross Sioned Jones Kathleen Lahey Markus Meinzer Krishen Mehta Yamini Mishra Elizabeth Nelson
Chief Executive	Alex Cobham
Secretary	Sioned Jones
Bankers	Cooperative Bank Plc | 1 Balloon Street, Manchester M60 4EP Metro Bank | One Southampton Row, London WC1B 5HA Triodos Bank | Deanery Road, Bristol BS1 5AS Deutsche Bank | Biegenstrasse 2, 35037 Marburg, Germany Santander | Paseo de la Castellana, 24, 28046, Madrid
Auditors	Godfrey Wilson Ltd | 5th Floor, Mariner House, 62 Prince St, Bristol BS1 4QD
Solicitors	Stone King LLP | 13 Queen Square, Bath BA1 2HJ

Directors' report

The directors present their report and the audited financial statements for the year ending 31 December 2021. Administrative information on this page forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the relevant accounting standards.

Chief executive’s report

A year the tide turned in the fight for tax justice

Our founding director John Christensen’s planned retirement came in May 2021, followed by his stepping down from our board which he had chaired. When he had passed on the chief executive role in 2016, I wrote of John’s successes: “In changing the political weather on these issues, those achievements are nothing short of extraordinary.” We thank John for his contribution to tax justice.

While we managed this transition, and the continuing pandemic, 2021 was a year of great progress both for the Tax Justice Network and more importantly, for tax justice. We continued to strengthen the case for tax justice as a human rights issue, and a feminist issue. And we saw a series of proposals normalised in global policy debates, through increasingly effective advocacy and collaborative coordination with the global movement.

The year 2021 opened its doors to the inauguration of US President Joe Biden. For good or ill, the tone of US politics exerts a distinct influence on international developments. The rhetorical switch alone was important, from Trump (not paying tax “makes me smart”), to the channelling of tax justice from both Biden (I will “lead efforts internationally to... go after illicit tax havens”) and new Treasury Secretary Janet Yellen (“We've had a global race to the bottom in corporate taxation and we hope to put an end to that”).

The Biden administration gave important momentum to the stalled OECD tax reforms, but arguably the biggest shifts of the year took place elsewhere. This includes both substantial steps at the United Nations, and an unprecedented degree of international engagement from lower-income countries – including in response to the threats of the OECD process. The inequalities and fiscal challenges of the evolving pandemic have ensured political attention worldwide, further driven by the explosive Pandora Papers which became the biggest ever leak of data from offshore service providers – and included major US operations for the first time.

The Tax Justice Network continued to combine international advocacy and networked campaigning with far-reaching communications and incisive research. Flagship publications in 2021 included the State of Tax Justice and the Corporate Tax Haven Index, while our workstreams contributed in a range of substantive areas.

Here are some highlights and achievements from 2021 that stand out.

The UN FACTI Panel Report

In February 2021, the UN High-Level Panel on International Financial Accountability, Transparency and Integrity (the FACTI panel) published its year-long study into the impact of tax abuse, money laundering and illicit financial flows on the ability of states to meet the UN's Sustainable Development Goals by 2030. Launched by a group including former heads of state and ministers from around the world, the report built on detailed analysis and engagement with UN member states in every global region. From the perspective of two decades of struggle by the tax justice movement, the recommendations were nothing short of remarkable.

The FACTI report called for powerful, specific policies to be implemented, in respect of both tax transparency and international tax rules. It also envisaged sweeping reforms to the global architecture. In each area, a raft of tax justice proposals were adopted. As I said at the time, the report was a "global triumph" for the tax justice movement.

The report called for the adoption of tax justice measures and policies many of our readers will be familiar with: automatic exchange of information, beneficial ownership registration, country by country reporting, unitary taxation and a global minimum tax rate.

But perhaps the most important recommendation the report made was to move rule-making on global tax rules from the OECD, a small club of rich countries, where rule-making has sat for six decades, to a UN setting.

The central element of this proposal was the creation of a UN tax convention, to be negotiated on an inclusive basis and to set rigorous standards for the global exchange of information and for tax cooperation.

Second, was the establishment of an intergovernmental body under UN auspices, to oversee the setting of international tax rules. And while these have long been advocated by the tax justice movement, the third is a relatively new proposal: a Centre for Monitoring Tax Rights, something I first proposed in 2019, to collate, analyse and publish data on the extent of international tax abuse affecting (and facilitated by) each individual country and jurisdiction.

In April, the UN tax committee demonstrated that despite its comparatively low level of resourcing, it is capable of delivering relatively rapid and concrete progress. Specifically, the committee finalised revisions to the UN model tax treaty, to include a new Article 12B which deals specifically with the digital tax issues that the OECD had been struggling with for a number of years.

Then in the new UN General Assembly session, the G77 group – representing the majority of the world's people and 134 countries – tabled a proposal for an intergovernmental tax body at the UN. While this was blocked for now by a number of OECD countries, the momentum is clear. The intergovernmental South Centre followed by publishing a specific proposal for UN framework convention on tax, which lays out a path forward.

G7 nations agreed a global minimum tax rate on multinationals, but...

In June 2021, the G7 reached a historic agreement to pursue the end of the 'race to the bottom' by implementing a global minimum tax rate on multinational corporations. By October, the top lines of a broader deal were agreed in principle at the OECD 'Inclusive Framework'. As things stand, in line with the process agreed at the outset in January 2019, the deal introduces a minimum rate (albeit limited to 15 per cent), and also introduces an element of unitary taxation with formulary apportionment (albeit only for a small part of the profits of just 100 or so multinationals).

Caveats aside, this is historic in establishing two important tax justice principles: that a line must be drawn under the race to the bottom, and that multinationals should be taxed according to where they actually do business. But the caveats are huge.

The October 2021 Inclusive Framework statement was signed by 119 countries and some dependent territories, but four countries with a population of around half a billion people rejected it: Nigeria, Kenya, Pakistan and Sri Lanka. They, and (potentially many) others which signed under pressure, view the proposals as likely to cost them revenue and sovereignty – not least because unilateral measures including digital services taxes (DSTs) would be required to be eliminated, and countries would have to accept some binding dispute resolution mechanism.

Another key issue is that the design of the minimum tax gives such a disproportionate share of revenues to the richest economies, that it might become impossible to renegotiate in future. At least until the design, signature, ratification and operation of two new multilateral instruments, the proposals allow (OECD) headquarter countries first priority on collecting un(der)paid tax – even when the unpaid tax was originally lost from another, non-OECD country. Moreover, by setting the global minimum rate so low at 15 per cent, at the instigation of Ireland and other tax havens, plenty of room was left to incentivise multinational corporations to keep profit shifting and underpaying taxes. Our analysis showed that settling for anything less than a 25 per cent tax rate keeps the race to the bottom alive and kicking.

The alternative METR (Minimum Effective Tax Rate) research we supported, offered a more balanced and more effective alternative. Under the METR proposal, multinational corporations would be required to pay corporate tax in the countries where they do genuine business activity. That means they pay corporate tax in the countries where they have sales, employ workers and own assets. This approach would see OECD countries collect a more proportional share of recovered tax. Even at the low rate of 15%, lower income countries, where half the world's population lives, would see the amount of corporate tax they recover almost triple from $7.7bn under the OECD proposal to $22.3bn under the METR proposal. That $22.3bn would be equivalent to a little over a quarter of lower income countries' combined public health budgets.

Our analysis of the G7 global tax deal was widely covered in media and press. Over 1 in 10 articles read around the world on Monday 7 June

2021 about the G7's global tax deal announcement quoted the Tax Justice Network. Through this wide global coverage, we were able to raise the alarm about the unfair and ineffective implementation of the global minimum tax deal and help make sure a handful of the richest countries wouldn't pull the wool over the rest of the world's eyes. While a number of politicians and media outlets tried to present the deal as the fix to all the world's tax abuse problems, we made it clear that the fight for a balanced and effective global minimum tax rate is just beginning.

As 2021 closed, the OECD continues to work on a set of multilateral instruments which would make the deal binding on individual countries. But countries all around the world are now actively discussing their options. For one thing, they have been provided with no assessment – either public or private – of whether the proposed deal would provide substantial benefits in revenue terms, to offset the known losses of revenue and sovereignty. And as the political engagement and scrutiny grows, it is not clear that governments will retain the appetite to make their informal commitments into binding ones, by signing what is effectively a blank cheque.
So 2022 is likely to be a decisive year for the OECD tax reforms – and perhaps also for the global tax architecture. The G20, under the presidency of Indonesia, may wish to ask the OECD to reopen the process if widespread rejection becomes more likely – and perhaps bring in some element of expertise from the UN system to support the OECD secretariat, to signal inclusivity as well as to add technical capacity.

But options to develop at the UN are now increasingly attractive to countries whose interests have clearly not been included in the OECD deal, and also to some OECD members who will not gain substantial revenues either, nor see the effective action against profit shifting that the process once promised. With the new German government committed to support global inclusion in tax matters, there may be scope for new coalitions that cut across the OECD and could deliver major reform.

Pandora Papers Leaks

In October, the ICIJ revealed the biggest offshore leak since the Panama Papers in 2016. The Pandora Papers document 14 offshore professional service providers, and the way in which a mass of politicians, public officials and celebrities have utilised the offshore system to hide the true value of their wealth, and in some cases pay less tax than they owe.

We became a go-to resource for the media following the Pandora Papers, and within the first 4 days of the leak being published our commentary was featured in over 600 articles, including many references to the State of Tax Justice and our Financial Secrecy Index.

The year ahead

This year saw a number of leaps forwards for tax justice, but there is much more to be done. In 2022, the Tax Justice Network is continuing our transition with the appointment of internationally recognised board members, and the development of our new strategy. This will include a more concerted focus on the dual climate and inequalities crises, and a continuing deepening of our understanding of the imperial legacies in tax, and of the power dynamics in our movement and relationships.

We envisage major opportunities to push forward the once-radical proposals for a global asset register (to curb the threat of anonymous wealth), and a UN tax convention (to set globally inclusive standards and create an intergovernmental tax body).

Despite the deep flaws in the OECD proposals, we also expect to see lower-income countries face growing pressure to make irreversible commitments - even where these might not generate substantial revenues, but would involve significant sacrifice of sovereignty.

We will continue to work with global civil society and intergovernmental bodies to promote policy space for more effective and just alternatives, just as we work at the national level to support the detailed analysis of vulnerability to illicit financial flows, and granular policy responses. As our new strategy evolves, we look forward to consultation with partners across the movement and beyond.

Alex Cobham
Chief Executive, Tax Justice Network

Objectives

The Tax Justice Network is a not-for-profit research and advocacy organisation that seeks to inform and influence public opinion and public policy on a wide range of issues related to tax, tax havens and financial globalisation.

We have a global outlook and work with partner organisations in jurisdictions across the world, as well as with a large number of individual collaborators including academics, tax professionals and other experts in a range of different fields.

Our sister organisation, the Global Alliance for Tax Justice, co-ordinates the campaigning activities of a large number of organisations across the world that work on tax justice issues.

Much of what we are established to do is charitable in nature and is carried out for the benefit of the general public. Our activities of this sort may be supported and funded by charities and other non-profit organisations. However, the Tax Justice Network is not, and is not intended to be, a charity in law.

The objects of Tax Justice Network, as set out in its articles of association, are:

1. To eliminate cross-border tax evasion and limit the scope for tax avoidance, so that large corporations and wealthy individuals pay tax in line with their ability to do so;
2. To increase citizens' influence in the democratic control of taxation, and restrict the power of capital to dictate tax policy solely in its own interest;
3. To restore similar tax treatment of different forms of income, and reverse the shifting of the tax burden onto ordinary citizens;
4. To remove the tax and secrecy incentives that encourage the outward flow of investment capital from countries most in need of economic development; and
5. To promote research into and education on the ways in which tax and related regulation and legislation can be used to promote development, encourage citizenship and relieve poverty within the context of local, national and international economies and societies;
6. The pursuit of such charitable purposes in connection with any of the above objects which the directors, in their discretion, see fit; and
7. Any and all such other purposes in areas related to the above objects which the directors, in their discretion, see fit.

Nothing in these objects shall include any purpose or activity which is not permitted to be carried out by an organisation that is described in section 501(c)(3) of the United States Internal Revenue Code of 1986 (as amended).

Main activities in 2021

This section summarises the progress made in substantive policy areas in 2021, and our underlying communications work.

Corporate Tax Haven Index

In March we updated our ranking of countries most complicit in helping multinational corporations underpay tax. Ranking at the top of the 2021 edition of the Corporate Tax Haven Index are:

1. British Virgin Islands (British Overseas Territory)
2. Cayman Islands (British Overseas Territory)
3. Bermuda (British Overseas Territory)
4. Netherlands
5. Switzerland
6. Luxembourg
7. Hong Kong
8. Jersey (British Crown Dependency)
9. Singapore
10. United Arab Emirates

The Corporate Tax Haven Index ranks each country based on how intensely the country's tax and financial systems allow multinational corporations to shift profit out of the countries where they do business and consequently pay less tax than they should there.

The Corporate Tax Haven Index showed that OECD countries and their dependencies were responsible for over two-thirds of the world's corporate tax abuse. In other words, those setting global corporate tax rules are the ones most helping multinational corporations get around them.

These findings rightly spurred uproar about the role of the OECD in setting global tax rules and the need to move rule-making to the UN, as proposed by the UN FACTI panel. As Dr Dereje Alemayehu, executive coordinator of the Global Alliance for Tax Justice, put it at the time, "to trust the OECD in light of the index's findings today is like trusting a pack of wolves to build a fence around your chicken coop."

Illicit financial flows

We continued our work to build understanding of the risks of illicit financial flows (IFFs) and to complement and support the efforts of national and regional authorities by introducing national geographic risk profile reports. These reports deepen the "big picture" country data analysis undertaken through the Tax Justice Network's illicit financial flows vulnerability tracker, launched in 2020, by identifying the partner countries that create most risk to the country for illicit financial flows in eight economic channels (inward and outward financial flows in each of the following four areas: trade in goods, foreign direct investment, portfolio investment, and banking assets) and through tax treaties. The report distinguishes between secrecy risks (enabling tax evasion, corruption and money laundering) and corporate tax abuse risks and describes concrete findings and the resulting policy recommendations.

In 2021 these reports were produced and presented to authorities in the Western Balkans and work commenced for 6 countries in Latin America.

Working with national authorities

We continued our work with the Nigerian Federal Inland Revenue Service (FIRS), in using a new risk assessment approach for tax audits of multinational companies and have begun to discuss with several other national authorities to take a similar approach.

Work was also undertaken in five countries to provide legal and technical support around the understanding and use of beneficial ownership data, and to bring cross-authority work within countries in order to increase verification.

Financial Secrecy Index 2022

We started work in mid-2021 on developing the 2022 Financial Secrecy Index, which was published in May 2022.

State of Tax Justice 2021

We launched the second edition of our State of Tax Justice report in November, again publishing jointly with the Global Alliance for Tax Justice and with Public Services International. The report found that countries are losing a total of $483 billion in tax a year to global tax abuse committed by multinational corporations and wealthy individuals – enough to fully vaccinate the global population against Covid-19 more than three times over.

Confirming the findings of the Corporate Tax Haven Index 2021, the 2021 edition of the State of Tax Justice documented how a small club of rich OECD countries is responsible for the majority of tax losses suffered by the rest of the world, with lower income countries hit the hardest by global tax abuse. The findings coincided with the G77's proposal for an intergovernmental tax body at the UN, and helped to further galvanise these calls.

Of the $483 billion lost a year, the report found that $312 billion of this tax loss is due to cross-border corporate tax abuse by multinational corporations and $171 billion is due to offshore tax abuse by wealthy individuals. Like last year, the State of Tax Justice confirmed that global tax abuse continues to hit lower income countries more severely than higher income countries. While higher income countries lose more tax in absolute terms, their tax losses represent a smaller share of their revenues (9.7 per cent of their collective public health budgets). Lower income countries in comparison collectively lose the equivalent of nearly half (48 per cent) of their public health budgets. The taxes that lower income countries lose would be enough to vaccinate 60 per cent of their populations, bridging the gap in vaccination rates between lower income and higher income countries. State of Tax Justice 2021 was featured in over 300 media articles in 47 countries, in every region of the world.

Country by country reporting

In July 2021, the OECD made available the second round of aggregate data from country by country reporting. This is data on the geographic distribution of multinational corporations' activity, profits and tax, according to an OECD standard which is based on the original proposals put forward by the Tax Justice Network nearly twenty years ago and for which we have since campaigned. However, publishing aggregate data only, rather than companies' individual reporting, allows an estimate only of the underpaid tax, and prevents identification of the specific responsibilities of individual multinational corporations.

That's why we designed the standard for fully public reporting, and why the leading global setter of sustainability standards, the Global Reporting Initiative (GRI), has now introduced a technically robust standard to require the same. This has been the first full year of reporting under the GRI standard, and a growing number of leading companies have voluntarily adopted it, with great investor support.

This year also saw important steps forwards towards mandatory public country by country reporting. The EU parliament passed public country by country reporting measures in the summer, although with some significant defanging. The EU parliament required multinational corporations to publish country by country reporting data on the OECD standard, and only for EU countries (and a handful of small jurisdictions questionably deemed "non-cooperative") instead of all countries they operate in. This does though break the taboo over requiring any publication of this data. The EU showed everyone that even a corporate giant can disclose and set the path for any other country to require publication.

The US Congress also legislated for public country by country reporting, and went beyond the EU by requiring full disclosure for every country. In 2022, we will see whether the Senate confirms the measures, and/or if it is introduced by direct action of the Securities and Exchange Commission.

Tax Justice and Human Rights

Collaboration and connection continued to augment our work in exploring the linkages between human rights and tax justice. We were pleased to bring to publication the report in which these underpinnings coalesce:

Tax Justice and Human Rights: The 4 Rs and the realisation of rights.

The report navigates through key issues and explores the pivotal role of tax in the advancement of human rights. Using data modelled by the GRADE project which in turn takes data from our State of Tax Justice Report 2020, it illustrates the powerful impact of tax abuse on the realisation of economic and social rights and on substantive gender equality. The associated launch event brought together an exceptional group of speakers, from Professor Dorothy Brown taking us on a tour of The Whiteness of Wealth, to Andres Arauz, Ecuadorian Presidential candidate, Professor Philip Alston, Professor Attiya Waris and Professor Steven Dean. Activists and campaigners, including Bilquis Tahira, Jeannie Manipon, and Asha Ramgobin, enriched debate by bringing insights on the intersection of rights, equality and tax justice.

Our support and engagement with United Nations processes continues too. In a collaborative report with several national and regional civil society organisations, we outlined to the CEDAW Committee in March 2021 key tax justice issues which impact on the economic and social rights of women and girls.

In November, we were especially pleased to prepare a submission for the UN Independent Expert on foreign debt and other international financial obligations and human rights. Professor Attiya Waris' call for input for the report titled, *Taking stock and looking forward - A vision for the work of the mandate*, offered an opportunity to encourage an analysis on these issues within the UN system. We also proposed three key interventions undertaken by the mandate: to draw out guiding principles on tax and human rights; to conduct a tax architecture survey – on the lines of the previous debt architecture survey – to canvass member states' views; and to recognise the importance of the 4th R of tax, "representation", and to address the question of political inequalities in the tax system. We will enthusiastically support the mandate where and as much as we can.

The Tax Justice Network reaching people

The Tax Justice Network continued to bring tax justice issues to more people through our communications work in 2021. Our research and commentary was featured in over 10,200 media and press articles (more than double that of 2020) in over 140 countries. Over 401,000 sessions occurred on the Tax Justice Network website in 2021 and our social media posts on Twitter, Facebook and LinkedIn had a combined reach of over 3,158,000.

Our podcasts

It was another successful year for our podcasts reaching global audiences through the 5 language productions - *The Taxcast* (English), *Impots et Justice Sociale* (French), *In Justicia ImPositiva* (Spanish), *E Da Sua Conta* (Portuguese) and *Taxes Simply الجباية ببساطة* (Arabic). Each of the podcasts provided ongoing analysis on subjects including progress on the minimum global corporate tax rate, the Pandora Papers, the State of Tax Justice 2021 report, the Corporate Tax Haven Index 2021, wealth taxes, digital taxes and how to make them fair, how degrowth must begin with the wealthy, tackling monopoly power and moving to the UN as a more democratic global forum for setting tax rules. There was a particular focus through many editions in the year on the impact of the Covid-19 pandemic with the inequality of access to vaccines, pharmaceutical company practices, looking at how significant part of the resources spent by the countries of the Global South in response to Covid-19 has benefited already wealthy companies more than it has achieved social protection objectives and the economic impacts regionally and globally.

Some particular highlights in the year were the reporting on national and regional tax breaks in the Democratic Republic of the Congo that are depriving the population of much needed revenue; social and fiscal justice in Burundi; the historic protests and national strike in Colombia over tax justice (the first of its kind in the world); the Chilean constitution and the possibilities and hopes for enshrining tax rights; the elections in Ecuador and the debate on corruption and tax haven use; the unfairness of the tax system for women and how to fix it with Brazil and Angola as examples; structural racism in Brazil’s tax system and how the black population is affected by an exclusionary economic and social system; a new tax law coming into force in Egypt which threatens the livelihood of approximately 3 million small taxpayers and their families; amendments to capital gains and dividend tax in Egypt and their impact on the Egyptian Stock Exchange; and the complexities of the Algerian banking system which is limiting remittances from expatriates abroad.

The issue of financial secrecy and illicit financial flows was a common theme through the year with particular editions reporting on the use in Africa of using automatic exchange of information in Africa, the UN FACTI panel’s recommendations on combating illicit financial flows and the harm to public services through tax abuse.

We were very grateful for all the guests who gave up their time to talk to us throughout the year. We had wide ranging conversations with leading thinkers and campaigners including Professor Dorothy Brown author of the Whiteness of Wealth, Ben Phillips, author of How to Fight Inequality, Tom Bergin, author of Free Lunch Thinking, how economics ruins the economy, Lynne Segal and Andreas Chatzidakis of the Care Collective, millionaire and wealth tax campaigner Djaffar Shalchi, Paul Galizia, the son of Maltese murdered anti-corruption journalist Daphne Caruana Galizia, economic anthropologist Jason Hickel, Professor Ibrahim Assane Mayaki former President of Niger, Burundian journalist and activist Julien Barinzingo, Cameroonian extractives expert Michel Bissou, Oscar Ugarteche, professor at the National Autonomous University of Mexico, UNAM and author of Critical History of the IMF, Daniel Titleman, ECLAC director of economic planning, Jorge Coronado from the Latin American Network for Economic and Social Justice, Daniel Roy of the popular blog Global World, Fabio Arias Giraldo of the Central Unitaria de Trabajadores, Maria Alejandra Osorio from the union of small and medium-sized companies, Carlos Bedoya, Peruvian Political Analyst and Coordinator of the Latin American Network for Economic and Social Justice, María Fernanda Valdes from the Ebert Foundation, Martín Guzman, Minister of Economy, Argentina, Mathew Gbonjubola, Director of Tax Policy for Nigeria, Jayati Ghosh, Commissioner of the Independent Commission for International Corporate Tax Reform and Professor of Economics at the University of Massachusetts, Dereje Alemayehu, Executive Coordinator of the Global Alliance for Tax Justice, and Professor Emeritus Sol Picciotto, Senior Advisor at the Tax Justice Network, FACTI Panel member Irene Ovonji, Luis Moreno of Latindadd, Graciela Rodriguez, Instituto Equit, Tathiane Piscitelli of FGV Direito SP, Márcio Verdi of the Centro Interamericano de Administrações Tributárias, Yasfir Ibraimo of the Institute of Social and Economic Studies, Ben Hur Cavelane of CIP Moçambique, Felipe Carvalho from Médico Sem Fronteiras Brasil, Luciana Pioto, journalist and actress, Luiz Vieira of the Bretton Woods Project, Peter Maybarduk from Public Citizen, Débora Freire of UFMG, Matti Kohonen of the Financial Transparency Coalition, Paulo Gil Introini of the Instituto de Justiça Fiscal, Rodrigo Orair of Ipea, Maria Fernanda Valdez, economist and coordinator of FES Colombia and Andres Arauz, economist and former presidential candidate in Ecuador, Ahmed Awad of the Phoenix Centre for Economic Studies in Amman, Karim Daher, member of the United Nations High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving Agenda 2030, political economist Karim Megahed, Lebanese political activist, Samer Abdullah, economic and social rights researcher Elhamy Marghani and political economist Omar Samir.

Annual conference

2021's Annual Conference, the theme of which was Tax Justice and Human rights, was particularly special, not just because it marked a return after last year's conference was cancelled due to the pandemic, but because it also exemplified the way in which tax justice over the past years has been widely adopted into so many spheres for social justice. Supported and co-hosted by the Association of Accounting and Business Affairs (ABBA), City University London and the Tax and Gender Working Group of the Global Alliance for Tax Justice (GATJ), the conference fuelled an energy and a host of conversations which reflect the growth of influence of the global tax justice movement, and the credibility and relevance of tax justice positions for those advocating for human rights and ending inequalities.

The conference opened with Prof Prem Sikka from AABA, founding partner of the conference, Member of the UK House of Lords and Senior Adviser to the Tax Justice Network, presenting a shameful picture of the scale of wealth and income inequality in the UK. While a tiny minority of citizens in the UK are enabled to compound their wealth to obscene levels many, many more live in poverty. Prof Sikka was quick to point out this pattern of wealth and income inequality is one repeated in every country across the globe.

Prof Sikka took the opportunity, as is tradition at our annual conference, to recognise and honour individuals who have worked to support and promote the work of tax justice. This year, awards were given to Cathy Cross a longstanding Board member of the Tax Justice Network and to James Henry, a Senior Adviser to the Tax Justice Network.

Prof Anastasia Nesvetailova of the Political Economy Research Centre at City University of London (CITYPERC) opened her remarks by noting that the Biden tax plan, whatever its faults and there is indeed much that has been critiqued, is a compliment to the work of the Tax Justice Network and a recognition of the importance of the tax justice movement's campaigning and analysis. Jeannie Manipon, from Asian Peoples' Movement on Debt and Development (APMDD) and representing the Tax and Gender Working Group, concluded the welcome address by drawing attention to the opportunities and imperatives for a transformative agenda which places people and the planet at the centre of the movement's thinking and action. Jeannie echoed a key message from the report launched as the centrepiece of the conference: "Tax justice is, very simply, a feminist agenda."

Philip Alston, Professor of Law at NYU Law and Chair of Center for Human Rights & Global Justice, and until recently the UN Special Rapporteur on extreme poverty and human rights, encouraged everyone to read the report, and called on civil society to grasp the interconnectedness of tax justice and human rights. The reality, Prof Alston warned, is that any progress civil society organisations make on their issues can and will be "undermined or overturned by changes in the tax system".

Attiya Waris, Deputy Principal at CHSS, Director Research and Enterprise and Associate Professor of Fiscal Law and Policy at University of Nairobi, and the newly appointed UN Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights, and Steven Dean, Professor of Law at Brooklyn Law School, talked with Alex Cobham, chief executive at the Tax Justice Network, about subtexts and racial bias in tax systems. This theme eloquently and spectacularly built upon by Professor Dorothy A Brown, author of *The Whiteness of Wealth*, and our first keynote speaker at the conference. Later, the conference was honoured by a second keynote by Andres Arauz, Ecuadorian presidential candidate and tax and social justice campaigner, who framed his comments about efforts to bring back a "caring economy" in Ecuador within the International Covenant of Economic, Social and Cultural Rights. Andres underlined how human rights depends on tax justice and debt justice to bring about the advancement of rights and curtailment of discriminatory policies.

Each year's conference is marked by the Annual Lecture. This year we invited "a man known for standing with and for those who are perceived as weaker." Dr Dereje Alemayehu, Executive Coordinator of the Global Alliance for Tax Justice, had a message that was clear and potent. Tensions between tax expertise and tax justice activism is a dynamic that "will always be there". This is not a point of "discouragement" for activists. The focus of our activism is to mitigate the influence of past colonial powers and to address the "broken and outdated" global tax system they created. Politicking and power relations in the international arena determine our un-wellbeing and failure of rights. Dr Alemayehu warned that tax justice can't be limited to technical solutions nor the notion that generating more revenue for countries represents justice – the 4 R's of tax justice demand transparency, universality and equality. Delivered with characteristic compassion, Dr Alemayehu is clear that advancing human rights requires the creation of an organic link and alignment with the human rights movement in the struggle for justice.

On the final day there was a focus on the normative. Kate Donald and described the conference as a "milestone in bringing these issues [tax justice and human rights] together". Kate shared encouraging examples of growing recognition of the fact that tax justice was crucial to the progress of rights, equality and sustainable development. Many more sessions also delved into normative approaches including a session on personal and political reflections on new constitutional developments to mitigate inequalities and strengthen rights in Chile.

It is fitting that 2021's spirited conference had a particularly animated conclusion. Pulling together a panel of legal, revenue, development and economic experts rooted in the global south, Irene Ovonji-Odida, lawyer, women's rights activist, and UN High-Level Panelist, along with Logan Wort, Executive Secretary at the African Tax Administration Forum (ATAF), and Manuel F. Montes, Senior Advisor at the Society for International Development, considered what is next for the global taxing rights process. They discussed how critical recommendations can be implemented to ensure tax justice and human rights are at the forefront of global policy making, and, crucially, reflected on the power imbalances and pressures that are imposed by the richest on the poorest.

At the closing of the conference we honoured the bravery and tenacity of one woman and her family. The Family of Daphne Caruana Galizia were awarded the Anderson-Lucas-Norman Award for Tax Justice Heroism.

Daphne Caruana Galizia was a fearless investigative journalist. A native of Malta, she, like John Christensen, co-founder of the Tax Justice Network and native of the UK dependency Jersey, was driven by a sense of abhorrence towards the injustice that resulted from the self-interest, secrecy and illicit financial activity operating in the island community around her. Knowing that the patterns and scale of activity undermined democracy and exacerbated the gulf between rich and poor, Caruana Galizia disrupted and frustrated the financially corrupt. She paid with her life. Her family honour her memory by continuing her investigative work and by bringing those responsible for her death to account. Their efforts are a tribute to their mother, wife and sister, and to all investigative journalists who put themselves at risk.

Few left the conference without a sobering understanding of the powerful interests which tax justice and human rights campaigners, researchers and journalists are tackling head on. Their efforts to change structures and systems which fail the economic, social and cultural rights of peoples all over the world is exemplified in their courage, innovation, tenacity and hard graft. The realisation of rights is a collective struggle, as Jeannie Manipon said at the opening of the conference, to re-centre people and planet.

Launch of our 101 explainer series

We produced a series of 'Tax Justice 101' explainer videos. These were designed to explain key issues and policy asks of the tax justice movement in a way that was accessible, upbeat and fun. Principally targeting younger people and activists who may be new to tax justice issues, topics covered included the "ABC-G of tax justice", "the 4 Rs of tax justice", "tax justice and the care economy" and "tax justice and human rights" among others. The series was disseminated across our social media channels and through the Tax Justice Network's regular newsletter in the final quarter of 2021, achieving broad reach and very positive feedback. We hope that the video series will enjoy a long shelf life and will serve as an important resource for both didactic purposes and introducing new audiences to these issues as we seek to build stronger links with adjacent movements such as climate justice campaigners.

Financial review

In 2021 our overall income amounted to £2,922,575 (£2,893,296 from grants, contracts and donations, and £29,279 from other income) which was a significant increase on 2020.

Continuing grant income from Norad, as part of their multi-year support for our work in Africa and Latin America, Ford Foundation, as part of their multi-year support for our core work, and Open Society Foundation, also for our core work, remained a large part of our income. In addition, we received new grants from Arnold Ventures, the EU Horizon 2020 Programme, Foreign and Commonwealth Development Office, Luminate and Wellspring. The latter two being for the Independent Commission for the Reform of International Corporate Taxation (ICRICT) for whom the Tax Justice Network acts as a fiscal host. Our funds come from a variety of sources with those that come from foundations, research grants, governments and NGOs listed in the table below. Our other income mostly comprised speaker, events and writing fees.

We received, in 2021, £18,474 in donations from individuals. We are grateful to all of our donors, and in particular to the following individuals, who made generous donations of more than £1,000 in 2021: Alex Cobham, Andrew Green and Tom Hancock.

In 2021, we gave a grant of $135,000 to the Financial Accountability and Corporate Transparency Coalition to further their work building awareness and understanding of tax justice issues within the United States.

We do not employ any dedicated fundraising staff. We estimate that we spend just under 0.5% of our total budget on fundraising activities.

Our overall expenditure stood at £1,582,518, a 14% increase on 2020 with staffing and research compromising most of the additional spend. Our staff costs are the most significant cost line at £1,141,939 (72%). Our staffing levels saw a small increase on 2020 and we ended the year with a total employee and contractor base of 29 individuals and a 22.3 full-time equivalent. Governance and Support costs remained relatively stable as a percentage of overall expenditure (16% in 2018, 14% in 2019, 13% in 2020, and 15% in 2021).

The closing position of the funds sees £1,336,951 of restricted, £370,359 of designated funding being carried forward for use by the relevant project activity in 2022 and beyond. General unrestricted reserves currently stand at £782,237 which represents 6 months of operational running costs. The funds we hold in reserves are in line with our reserves policy.

We are incredibly grateful for all the support and commitment shown by our funders. The funding landscape remains challenging, though with our recent success and continued support from funders we are positive about the Tax Justice Network's ability to operate and continue our impactful work.

Full list of current funding as of 31 December 2021

Note: this list includes funding where the performance period includes some or all of 2021. “Value” refers to the total funding over the entire agreement period.

Description	**Funder**	**Value**	**Starts**	**Ends**
Core funding	Open Society Foundations	$180,000	11/2019	04/2021
Core funding	Open Society Foundations	$500,000	12/2021	06/2023
Core funding for Tax Justice and Human Rights work	Wallace Global Fund	$110,000	06/2018	06/2021
Building Institutions and Networks (BUILD)	Ford Foundation	$2,000,000	01/2018	12/2021
Financial Secrecy and Tax Advocacy in Africa (FASTA); in Latin America (FASTLA); and Financial Integrity Advocacy and FACTI Policy Tracker	Norad	NOK 31.3m	03/2017	12/2022
Combatting Illicit Financial Flows (Global)	GIZ	€145,883	04/2021	09/2021
Combatting Illicit Financial Flows: Western Balkans	GIZ	€116,127	10/2020	09/2021
Financial Transparency Coalition 2020-2022	FTC	$252,500	01/2020	12/2022
Tracking Illicit Money Flows (TRACE)	European Commission	€751,250	07/2021	06/2024
Civil Society Advancing Beneficial Ownership Transparency	European Commission	€358,000	03/2021	02/2023
State of Tax Justice Report (2021-2023)	PSI	€90,000	07/2021	10/2023
EU advocacy for public CBCR	Joffe Charitable Trust	£10,000	03/2021	08/2021
Financial Secrecy in the United States	Arnold Ventures	$500,000	05/2021	08/2022
Combatting Illicit Financial Flows in Latin America	FCDO	£145,373	11/2021	03/2022
ICRICT	Wellspring Philanthropic Fund	£250,000	01/2022	12/2023

Description	Funder	Value	Starts	Ends
TaxEd Alliance - Education Out Loud	Action Aid/Oxfam Ibis	$89,268	02/2021	08/2023
ICRICT (Global Tax Reform)	Luminate	$100,000	09/2021	08/2022

Organisational strengthening

Systems, processes and policies

We have continued to implement and embed our suite of policies and processes first introduced in 2019. In light of the continuing disruption to travel and workplace we have further developed our online communication and event tools and used them to good effect at our Annual Conference that is detailed above. With the increasing virtual and digital world, we invested additionally in our online communication tools which were used to great effect for our Annual Conference so that an engaging and interactive experience could be had by all participants. We also held a virtual retreat for staff who have been unable to meet for nearly two years which focussed on strategic development, wellbeing and development and with time and space for social engagement.

People

We have always been a virtual organisation with our team working As shown in our figures for 2021 we had a successful year for fundraising with several new funders supporting our work and that of the organisations we fiscally host. In addition, we have joined with other organisations to secure funds from the European Union for two projects. The TRACE project is exploring the rise and spread of ICT-enabled crimes and illicit financial flows (IFFs) and focussing on new ways to identify, track and document these illicit financial flows and the Civil Society Advancing Beneficial Ownership Transparency project that from their homes across the globe. It meant that when the Covid-19 pandemic first started we were able to continue our work without significant changes or impact. As the effects of the pandemic continue and the longer term effects are being felt, supporting our staff and their wellbeing and remains a priority for the organisation.

Usually, we would meet up physically at least once a year but having been unable to do so for two years we held a virtual retreat in 2021. This focussed on our strategic development, personal and organisational wellbeing and gave us time and space for social engagement.

We once again, as we did in 2020, closed the ‘office’ for two weeks in December to give all staff an opportunity together to be away from work and rest and recuperate.

Fundraising

is capacity building programmatic development and communication in the context of the fight against money laundering and financial crimes.

Several of our multi-year funds either ended in 2021 or are due to in 2022 and we therefore remain active in building relationships and seeking funds to continue our work.

Diversity, equality and inclusion

We remain committed to developing and strengthening partnerships across a broad and diverse range of organisations that work on inequalities and rights. In 2022, we supported further activities of the Tax and Gender Working Group of the Global Alliance for Tax Justice.

Our Board, Senior Management Team and complete staff team are all either equally split in terms of men and women members or have more representation from women. Staff are based throughout the globe including Latin America, Africa and Europe.

Governance and accountability

Governing document

The Tax Justice Network is governed by its articles of association, which were updated in 2019. The articles outline our objects and powers, the nature of our non-profit (and non-charitable) status, including measures to stop our assets being used for profit, and the processes by which decisions are made and by which directors and members of the company are appointed. The directors are appointed by the members; the members are employees and contractors who have served a minimum of 12 months' paid service and have applied for membership of the company.

The directors are responsible for the oversight and governance of the Tax Justice Network, but executive and management action is delegated to the chief executive.

Our articles of association and its agreed organisational strategy and policies form the framework within which the Chief Executive is mandated to manage the organisation's day-to-day operational activities. The Chief Executive is delegated to manage the proper use of the operational, budgetary, property, staffing and other resources of the organisation within this framework.

- The Chief Executive may, for the efficient management and proper operation of the Tax Justice Network, delegate at his or her sole discretion any of the individual responsibilities contained within this scheme of delegation to other employees. This further delegation of responsibilities does not release the Chief Executive from overall responsibility to the Board. It is expected that many of the decisions relating to responsibilities contained here will be jointly made by the members of the senior management team (SMT), and so this scheme of delegation applies in practice to the whole SMT and not just to the Chief Executive.
- The annual budget is drafted by the Chief Executive and senior management team for submission for board approval at least one month before the start of the new financial year in order to ensure that the Tax Justice Network's objectives and projections remain relevant to current operating conditions.
- The Chief Executive is authorised to commit the organisation to incur expenditure within the approved annual budget plan.
- Staffing changes within the approved budget plan may be made during the year by the Chief Executive.
- Support and development of the Chief Executive is the responsibility of the Chair. With input from the board, the appraisal of the Chief Executive will be undertaken by the Chair annually and reported as appropriate to the board.
- Subject to agreed policies and procedures, the Chief Executive is responsible for the guidance, support and supervision of staff employed or contracted by the Tax Justice Network. Staff remuneration policy will be approved by the board, but its

detail and application will be the responsibility of the Chief Executive, except that in the case of the Chief Executive's post the board will determine its implementation.

The following decisions are the sole preserve of the board:

- Approving the board scheme of delegation to the chief executive (and to the Senior Management Team)
- Approving the Tax Justice Network's annual accounts, report and budget
- Ensuring that adequate financial reporting and recording arrangements are in place
- Hiring, managing and dismissing the chief executive
- Appointing and dismissing the company secretary
- Approving any expenditure above £10,000 per year
- Approving the staff remuneration policy
- Approving any major changes to our legal or management structure
- Approving any new funders or projects that have been flagged by any member as "high risk"
- Approving any collaboration with political parties (eg helping to develop or endorsing their policies)
- Resolving any disputes between Senior Management Team members that cannot be resolved through dialogue
- Hearing appeals from staff on decisions made by the Senior Management Team that have not been resolved to their satisfaction

The board meets quarterly.

All members vote on the appointment or re-appointment of board members (directors) every year, at the annual general meeting.

Our articles of association also provide for up to two directors ('co-opted directors') to be appointed by the other directors, rather than by the members.

Major strategic and tactical decisions relating to our core work are taken jointly by all members, in line with our cooperative ethos (with equal weight given to all views or votes, regardless of seniority, length of tenure or whether members are also directors). Certain key organisational decisions are reserved for the board, as set out above, and most management decisions are made by the Senior Management Team, as also set out above. All members are routinely consulted either by the board or by the Senior Management Team on major organisational or management decisions (eg new hires or fires) before they are finalised and are informed about day-to-day decisions after they have been made.

All new non-executive directors are inducted by way of a series of one-to-one meetings and discussions with other board members and members of the senior management team.

Staff members are paid and renumerated according to a compensation and benefits policy that also provides for a global baseline level of employment-related benefits.

The Tax Justice Network is not part of a wider formal group of organisations, although it does have strong informal relationships with a large number of organisations that collectively form the global tax justice movement, under the leadership and coordination of the Global Alliance for Tax Justice. We do not have any subsidiaries.

Funding and financial record keeping

We abide by the UK Fundraising Regulator's Code of Fundraising Practice. We also have policies in place to ensure that funding from individuals cannot influence our positions or policies in any way: for example, we do not accept anonymous donations from organisations or individuals of over £1,000 per year; we publish the names of all donors giving over this amount during the course of the year.

We strive wherever possible to only accept donations by credit or debit card, direct debit, bank transfer or cheque, to allow us to keep records of all donors and to enable due diligence checks to be carried out by the relevant financial institutions. We do not accept donations from organisations holding views that are incompatible with our general ethos.

We do not employ professional fundraisers and do not subscribe to any fundraising standards or schemes; nor have we received any complaints about our fundraising activities.

Sustainability

We operate virtually and across multiple time zones, with no physical offices for staff to travel to. We have always encouraged the use of virtual conferencing in preference to travelling for meetings wherever practical, and with the global pandemic this has been very much the norm. Not only helping in terms of sustainability but allowing us to participate in more events than would have been possible if presence was only in person. We aim to minimise waste output and recycle as much waste as possible and electronic filing of records take priority over paper filing.

Policies

All staff are required to abide by our code of conduct. We launched a full set of organisational policies in 2019 which was added to in 2020 with a Covid-19 Policy. We comply with all relevant pensions and social security requirements in the countries where we employ staff, including pension auto-enrolment for UK staff.

Risks

Our risk register covers a range of risks and groups them into five high-level categories (governance, strategy, operations, finances and people).

Key risks identified and mitigated by the senior management team include unfavourable changes in the political and/or economic environment in key countries that affect our ability to carry out research and/or advocacy work and/or to change policies and narratives, and the wellbeing of our staff in the face of the global pandemic.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 4th July 2022 and signed on its behalf.

Krishen Mehta, Director

Independent auditors' report

To the members of

Tax Justice Network

Opinion

We have audited the financial statements of Tax Justice Network (the 'company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 company's affairs as at 31 December 2021 and of its profit or loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditors' report

To the members of

Tax Justice Network

Matters on which we are required to report by exception

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

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out in the directors' report, the directors 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 they 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Tax Justice Network

Our 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the company operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the company’s policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of director meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statements disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 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 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditors' report

To the members of

Tax Justice Network

Rob Wilson

Date: 4 July 2022

Rob Wilson FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Tax Justice Network

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

For the year ended 31 December 2021

	Note	Restricted £	Unrestricted £	**2021 Total £**	Restated 2020 Total £
Income from:					
Donations and legacies	3	19,076	755,813	**774,889**	478,475
Charitable activities	4	2,058,979	58,986	**2,117,965**	916,786
Other trading activities	5	-	29,279	**29,279**	59,917
Investments		38	404	**442**	1,894
Total income		2,078,093	844,482	**2,922,575**	1,457,072
Expenditure on:					
Raising funds		-	7,125	**7,125**	18,333
Charitable activities		1,122,989	452,401	**1,575,390**	1,362,284
Total expenditure	7	1,122,989	459,526	**1,582,515**	1,380,617
Net income		955,104	384,956	**1,340,060**	76,455
Transfers between funds		56,714	(56,714)	**-**	-
Net movement in funds	8	1,011,818	328,242	**1,340,060**	76,455
Reconciliation of funds:					
Total funds brought forward		325,133	824,354	**1,149,487**	1,073,032
Total funds carried forward		1,336,951	1,152,596	**2,489,547**	1,149,487

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

Prior period income and expenditure have been reclassified to reflect the requirements of the Charities SORP (FRS 102) and to be comparable with the current year. The restatements are purely reclassifications of income and expenditure and do not affect net income.

Tax Justice Network

Balance sheet

As at 31 December 2021

	Note	£	**2021** £	2020 £
Fixed assets				
Tangible assets	11		**7,315**	2,954
Current assets				
Debtors	12	**180,509**		203,281
Cash at bank and in hand		**2,441,042**		1,024,493
		2,621,551		1,227,774
Liabilities				
Creditors: amounts falling due within 1 year	13	**(139,319)**		(81,241)
Net current assets			**2,482,232**	1,146,533
Net assets	14		**2,489,547**	1,149,487
Funds	15			
Restricted funds			**1,336,951**	325,133
Unrestricted funds				
Designated funds			**370,359**	58,327
General funds			**782,237**	766,027
Total funds			**2,489,547**	1,149,487

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 4 July 2022 and signed on their behalf by

Krishen Mehta, Director

Tax Justice Network

Statement of cash flows

For the year ended 31 December 2021

	2021 £	2020 £
Cash used in operating activities:		
Net movement in funds	**1,340,060**	76,455
Adjustments for:		
Depreciation charges	**2,786**	3,379
Interest from investments	**(442)**	(1,894)
Loss on the sale of fixed assets	**-**	1,912
(Increase) / decrease in debtors	**22,772**	(49,978)
Increase / (decrease) in creditors	**58,078**	19,886
Net cash provided by operating activities	**1,423,254**	49,760
Cash flows from investing activities:		
Purchase of tangible fixed assets	**(7,147)**	(413)
Interest from investments	**442**	1,894
Net cash used in investing activities	**(6,705)**	1,481
Increase in cash and cash equivalents in the year	**1,416,549**	51,241
Cash and cash equivalents at the beginning of the year	**1,024,493**	973,252
Cash and cash equivalents at the end of the year	**2,441,042**	1,024,493

The company has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Although the company does not have charitable registration, the directors have adopted the Charities SORP in preparation of these accounts as they consider this standard to better reflect the company's activities as a not-for-profit entity. The company has therefore presented a statement of financial activities (incorporating an income and expenditure account) instead of a profit and loss account.

The company uses the term "charitable activities" throughout these accounts to refer to the activities undertaken by the company as a not-for-profit entity in furtherance of its objects. Income and expenditure categorised within "charitable activities" may, from time to time, include activities which, whilst not charitable in nature, are in furtherance of the company's objects.

Tax Justice Network meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the company is able to continue as a going concern. The directors have considered the impact of COVID-19 and other issues on the company's current and future financial position. In light of the company's cash balances and unrestricted reserves, the directors consider that the company has sufficient reserves and restricted income to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

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

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

Income received in advance of provision of consultancy work is deferred until criteria for income recognition are met.

d) Interest receivable

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

e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the company. Designated funds are unrestricted funds of the company which the directors have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the company's work or for specific projects being undertaken by the company.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the company but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the company, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the company's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the basis of allocated staff costs, as follows:

	2021	2020
Raising funds	**0.6%**	1.6%
Charitable activities	**99.4%**	98.4%

h) Tangible fixed assets

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

Computer and office equipment	3 years

Items of IT and communications equipment, and home office furniture over £300 are capitalised where they are deemed to have an expected useful life of 3 years.

i) Debtors

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

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

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

l) Financial instruments

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

m) Pension costs

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

n) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

o) Accounting estimates and key judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	**Restated 2020 Total £**
Income from:			
Donations and legacies	21,390	457,085	**478,475**
Charitable activities	916,786	-	**916,786**
Other trading activities	7,765	52,152	**59,917**
Investments	295	1,599	**1,894**
Total income	946,236	510,836	**1,457,072**
Expenditure on:			
Raising funds	-	18,333	**18,333**
Charitable activities	1,051,553	310,731	**1,362,284**
Total expenditure	1,051,553	329,064	**1,380,617**
Net income / (expenditure) and net movement in funds	(105,317)	181,772	**76,455**

3. Income from donations and legacies

	Restricted £	Unrestricted £	**2021 Total £**
Donations	19,076	18,474	**37,550**
Unrestricted grants:			
Ford Foundation	-	366,980	**366,980**
OSF	-	370,359	**370,359**
Total income from donations and legacies	19,076	755,813	**774,889**

Prior period comparative

	Restricted £	Unrestricted £	Restated 2020 Total £
Donations	21,390	29,288	50,678
Unrestricted Grants:			
Ford Foundation	-	380,112	380,112
Wallace Global Fund	-	23,432	23,432
Other CICTAR grants	-	24,253	24,253
Total income from donations and legacies	21,390	457,085	478,475

4. Income from charitable activities

	Restricted £	Unrestricted £	**2021 Total £**
Norad	680,017	-	**680,017**
Financial Transparency Coalition	35,485	-	**35,485**
GIZ - Anticorruption and Integrity	(159)	-	**(159)**
GIZ - IFF Balkans	41,000	-	**41,000**
GIZ - New Framework	95,672	-	**95,672**
EU - TRACE	480,144	-	**480,144**
Arnold Ventures	361,496	-	**361,496**
Institute of Development Studies	3,446	-	**3,446**
The State of Tax Justice	25,528	-	**25,528**
FCDO - CIEP	22,342	-	**22,342**
Education Out Loud	6,400	-	**6,400**
Joffe Charitable Trust	10,000	-	**10,000**
ICRICT YTD	233,796	-	**233,796**
CICTAR YTD	63,812	-	**63,812**
DG FISMA – CSABOT	-	58,986	**58,986**
Total income from charitable activities	2,058,979	58,986	**2,117,965**

4. Income from charitable activities (continued)

Prior period comparative:

	Restricted	Unrestricted	Restated 2020 Total
	£	£	£
Norad	444,456	-	444,456
Financial Transparency Coalition	104,534	-	104,534
GIZ - Anticorruption and Integrity	70,748	-	70,748
GIZ - IFF Balkans	51,843	-	51,843
Public Services International	45,062	-	45,062
Institute of Development Studies	23,625	-	23,625
Adessium	20,932	-	20,932
EU - COFFERS	18,087	-	18,087
University of Sussex	14,317	-	14,317
Friends Provident Foundation (ICRICT)	65,682	-	65,682
Joffe Charitable Trust (ICRICT)	25,000	-	25,000
Joffe Charitable Trust (CICTAR)	25,000	-	25,000
Alex Ferry Foundation (CICTAR)	7,500	-	7,500
Total income from charitable activities	916,786	-	916,786

5. Income from other trading activities

	Restricted	Unrestricted	**2021 Total**
	£	£	**£**
Consultancy	-	29,279	**29,279**

Prior period comparative

	Restricted	Unrestricted	2020 Total
	£	£	£
Consultancy	7,765	52,152	59,917

6. Government grants

The company receives government grants, defined as funding from the Norwegian Agency for Development Cooperation and from the Foreign, Commonwealth & Development Office to fund charitable activities. The total value of such grants in the period ending 31 December 2021 was £702,359 (2020: £444,456). There are no unfulfilled conditions or contingencies attaching to these grants in 2021.

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	**2021 Total £**
Staff costs (note 9)	5,772	988,819	147,348	**1,141,939**
Research and advocacy	-	134,469	-	**134,469**
Events	-	500	-	**500**
Media outputs	-	124,128	-	**124,128**
ICRICT direct costs	-	54,843	-	**54,843**
CICTAR direct costs	-	31,082	-	**31,082**
Audit and accountancy	-	-	16,793	**16,793**
Bank charges	-	-	2,956	**2,956**
Depreciation	-	-	2,786	**2,786**
Insurance	-	-	1,716	**1,716**
Website and digital marketing	-	-	9,512	**9,512**
Legal and professional	-	-	7,795	**7,795**
Light, power and heating	-	-	1,383	**1,383**
Staff conferences	-	-	130	**130**
Office costs	-	-	15,175	**15,175**
Subscriptions	-	9,631	10,640	**20,271**
Loss on foreign exchange	-	-	17,037	**17,037**
Sub-total	5,772	1,343,472	233,271	**1,582,515**
Allocation of support and governance costs	1,353	231,918	(233,271)	-
Total expenditure	**7,125**	**1,575,390**	**-**	**1,582,515**

Total governance costs were £83,092.

7. Total expenditure (continued) - prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Staff costs (note 9)	15,513	972,822	98,734	1,087,069
Research and advocacy	-	46,117	-	46,117
Events	-	1,253	-	1,253
Media outputs	-	114,408	-	114,408
ICRICT direct costs	-	36,819	-	36,819
CICTAR direct costs	-	4,375	-	4,375
Audit and accountancy	-	-	24,339	24,339
Bank charges	-	-	2,932	2,932
Depreciation	-	-	3,379	3,379
Insurance	-	-	1,582	1,582
Website and digital marketing	-	-	14,360	14,360
Legal and professional	-	-	71	71
Light, power and heating	-	-	993	993
Staff conferences	-	-	7,448	7,448
Office costs	-	-	20,454	20,454
Subscriptions	-	9,675	10,754	20,429
Gain on foreign exchange	-	-	(5,411)	(5,411)
Sub-total	15,513	1,185,469	179,635	1,380,617
Allocation of support and governance costs	2,820	176,815	(179,635)	-
Total expenditure	18,333	1,362,284	-	1,380,617

Total governance costs were £25,403.

8. Net movement in funds

This is stated after charging:

	2021	2020
	£	£
Depreciation	**2,786**	3,379
Loss on disposal of fixed assets	**-**	1,912
Directors' remuneration	**316,797**	303,903
Directors' reimbursed expenses	**583**	2,945
Auditors' remuneration:		
• Statutory audit (including VAT)	**8,940**	7,980
• Other services (restricted project audits, including VAT):	**2,340**	7,809

Directors' reimbursed expenses comprise amounts paid to two directors relating to travel and home office expenses (2020: six directors).

9. Staff costs and numbers

Staff costs were as follows:

	2021	2020
	Total	Total
	£	£
Salaries and wages	**703,979**	750,350
Social security costs	**114,828**	116,027
Pension costs	**65,847**	75,002
Freelance staff	**257,285**	145,690
	1,141,939	1,087,069

Two employees earned between £60,000 and £70,000 during the year (2020: two).

The key management personnel of the company comprise the Directors, five of whom are employed as Director, CEO; Director, Chair; Director, Financial Secrecy and Governance; Director, Injustice and Inequality; and Director, Operations & Communications. The total employee benefits of the key management personnel were £316,797 (2020: £303,903).

9. Staff costs and numbers (continued)

	2021	2020
	No.	No.
Average head count	**19.10**	17.80

10. Taxation

	2021	2020
	£	£
UK corporation tax at current rate based on results for the period	**-**	-
Factors affecting current tax charge:		
Profit on ordinary activities by rate of tax	**254,611**	14,526
Deduct surplus on non-taxable income	**(254,611)**	(14,526)
Total current tax charge	**-**	-

11. Tangible fixed assets

	Computer and office equipment Total £
Cost	
At 1 January 2021	**20,854**
Additions in year	**7,147**
Disposals	**(2,732)**
At 31 December 2021	**25,269**
Depreciation	
At 1 January 2021	**17,900**
Charge for the year	**2,786**
On disposals	**(2,732)**
At 31 December 2021	**17,954**
Net book value	
At 31 December 2021	**7,315**
At 31 December 2020	2,954

12. Debtors

	2021 **£**	2020 £
Trade debtors	**200**	169,195
Prepayments	**12,120**	23,596
Accrued income	**166,354**	10,490
Employee loan	**1,835**	-
	180,509	203,281

13. Creditors : amounts due within 1 year

	2021	2020
	£	£
Trade creditors	**14,528**	8,388
Taxation and social security	**23,642**	24,519
Accruals	**101,149**	48,334
Income in advance	**-**	-
	139,319	81,241

14. Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	**Total funds**
	£	£	£	**£**
Tangible fixed assets	-	-	7,315	**7,315**
Current assets	1,336,951	370,359	914,241	**2,621,551**
Current liabilities	-	-	(139,319)	**(139,319)**
Net assets at 31 December 2021	**1,336,951**	**370,359**	**782,237**	**2,489,547**

Prior period comparative	Restricted funds	Designated funds	General funds	**Total funds**
	£	£	£	**£**
Tangible fixed assets	-	-	2,954	**2,954**
Current assets	325,133	58,327	844,314	**1,227,774**
Current liabilities	-	-	(81,241)	**(81,241)**
Net assets at 31 December 2020	**325,133**	**58,327**	**766,027**	**1,149,487**

15. Movements in funds

	At 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	**At 31 December 2021 £**
Restricted funds					
Norad	166,228	680,055	(605,686)	56,644	**297,241**
Financial Transparency Coalition	19,972	35,485	(35,232)	-	**20,225**
EU - COFFERS	5,445	-	(5,445)	-	**-**
EU - TRACE	-	480,144	(46,263)	-	**433,881**
Institute of Development Studies	-	3,446	(3,446)	-	**-**
GIZ - Anticorruption and Integrity	-	(159)	(131)	290	**-**
GIZ - IFF Balkans	29,796	41,001	(70,797)	-	**-**
GIZ - New Framework	-	95,672	(88,481)	-	**7,191**
Arnold Ventures	-	361,496	(62,971)	-	**298,525**
The State of Tax Justice	-	25,528	(26,442)	914	**-**
FCDO - CIEP	-	22,342	(22,342)	-	**-**
Education Out Loud	-	6,400	(6,375)	-	**25**
Joffe Charitable Trust	-	10,000	(10,000)	-	**-**
ICRICT	70,535	252,871	(79,813)	(1,134)	**242,459**
CICTAR	32,471	63,812	(59,565)	-	**36,718**
Tax Justice Italy	686	-	-	-	**686**
Total restricted funds	325,133	2,078,093	(1,122,989)	56,714	**1,336,951**
Unrestricted funds					
Designated funds:					
Open Society Foundations core grant	26,545	370,359	(26,545)	-	**370,359**
Exceptional item	31,782	-	-	(31,782)	**-**
Total designated funds	58,327	370,359	(26,545)	(31,782)	**370,359**
General funds	766,027	474,123	(432,981)	(24,932)	**782,237**
Total unrestricted funds	824,354	844,482	(459,526)	(56,714)	**1,152,596**
Total funds	1,149,487	2,922,575	(1,582,515)	-	**2,489,547**

15. Movements in funds (continued)

Purposes of restricted funds

Norad	"Financial Secrecy and Tax Advocacy in Africa" (FASTA) project and "Financial Secrecy and Tax Advocacy in Latin America" (FASTLA) project and "Financial Integrity Advocacy and FACTI Policy Tracker" extension.
Financial Transparency Coalition	2021 work plans focusing on beneficial ownership, asset registries and tax justice and human rights.
EU - COFFERS	European Commission: "Combatting fiscal fraud and empowering regulators" project.
EU - TRACE	European Commission: "Tracking illicit money flows" project.
Institute of Development Studies	"Double tax treaty aggressiveness: Who is bringing down withholding taxes in Africa?" project.
GIZ - Anticorruption and Integrity	"Anticorruption and Integrity: Granular IFF Risk Analysis (GIFFRA)" project.
GIZ - IFF Balkans	"Combatting Illicit Financial Flows in Western Balkans" project.
GIZ - New Framework	"Combatting Illicit Financial Flows (Global)" project.
Arnold Ventures	Evaluate and identify the scale of tax haven use by United States companies, and the risks posed by financial secrecy in the United States.
The State of Tax Justice	Annual report on the global landscape of the tax justice movement as a whole.
FCDO - CIEP	"Combatting illicit financial flows in Latin America through geographical risk analysis" project.
Education Out Loud	The TaxEd Alliance "Education Out Loud" project.

15. Movements in funds (continued)

Joffe Charitable Trust	“EU multi-stakeholder advocacy for public CBCR” project.
ICRICT	Independent Commission for the Reform of International Corporate Taxation: Tax Justice Network act as fiscal hosts for the Commission.
CICTAR	Centre for International Corporate Tax Accountability and Research: Tax Justice Network act as fiscal hosts in the UK.
Tax Justice Italy	Tax Justice Network acted as fiscal hosts for funding received to support the set up of a tax justice organisation in Italy.

Purposes of designated funds

Open Society Foundations core grant	To carry forward a core funding grant received for the period 1 December 2021 to 30 June 2023, for use against core costs in 2022 and 2023.
Exceptional item	Funds recovered in relation to the settlement of a longstanding legal case involving misappropriation of company funds by a third party at a German payroll bureau. Held to provide for a contingent liability in case of repayment due to insolvency proceedings against the third party. This is no longer considered probable, so the contingent liability has been removed.

15. Movements in funds (continued)

Prior period comparative

	At 1 January 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2020 £
Restricted funds					
Norad	255,904	444,751	(534,427)	-	166,228
Adessium	17,467	20,933	(37,642)	(758)	-
Financial Transparency Coalition	9,602	104,533	(94,163)	-	19,972
EU - SMART	(840)	82	-	758	-
EU - COFFERS	1,286	18,087	(13,928)	-	5,445
Wallace Global Fund	16,437	-	(16,437)	-	-
University of Sussex	-	14,317	(14,317)	-	-
R H Southern Trust	34,951	-	(34,951)	-	-
Institute of Development Studies	-	23,625	(23,625)	-	-
GIZ - Anticorruption and Integrity	69,310	70,748	(140,058)	-	-
GIZ - IFF Balkans	-	51,843	(22,047)	-	29,796
The State of Tax Justice	-	45,062	(45,062)	-	-
ICRICT	25,643	115,946	(71,054)	-	70,535
CICTAR	-	32,500	(29)	-	32,471
Tax Justice Italy	690	3,809	(3,813)	-	686
Total restricted funds	430,450	946,236	(1,051,553)	-	325,133
Unrestricted funds					
Designated funds:					
Open Society Foundations core grant	125,597	-	(99,052)	-	26,545
Exceptional item	31,560	-	-	222	31,782
Total designated funds	157,157	-	(99,052)	222	58,327
General funds	485,425	510,836	(230,012)	(222)	766,027
Total unrestricted funds	642,582	510,836	(329,064)	-	824,354
Total funds	1,073,032	1,457,072	(1,380,617)	-	1,149,487

16. Related party transactions

During the year, one donation of £1,100 was made to the company by directors (2020: £2,000). There were no other related party transactions in the year.