TAX JUSTICE NETWORK

Annual Report 2022

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Tax Justice Network, Company Limited by Guarantee in England & Wales no. 05327824

Registered Address: C/O Godfrey Wilson Ltd, 5th Floor Mariner House, 62 Prince Street, Bristol, England, BS1 4QD

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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 BS1 4QD
Directors	Charles Abugre Akelyira (appointed 8 July 2022) Alex Cobham Cathy Cross (resigned 8 July 2022) Sioned Jones Kathleen Lahey (resigned 8 July 2022) Laila Latif (appointed 8 July 2022) Markus Meinzer Krishen Mehta (resigned 8 July 2022) Yamini Mishra Nara Monkam (appointed 8 July 2022) Elizabeth Nelson Irene Ovonji-Odida (appointed 8 July 2022) Luisa Emilia Reyes Zuniga (appointed 8 July 2022) Norbert Walter-Borjans (appointed 8 July 2022)
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 2022. 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

The past year has seen significant strides towards tax justice internationally: 2022 has been a year of shifting power dynamics and increasing momentum.

An equitable tax system is fundamental to how we organise ourselves as societies; to how we secure funding for fundamental rights like education and healthcare; and to how our governments maintain their sovereign ability to deliver for us. The Tax Justice Network's research, campaigning, advocacy and our communications are driven by the pragmatic pursuit of an ideal: that there should be equity in global tax policy development, giving everyone a seat at the table; and that there should be equity in paying taxes, where everyone pays their fair share.

Our organisation

Organisationally, this has been a key year with the first major refresh of the board for some years. This high level, globally diverse group is now helping to steer the development of our new strategic framework, and have already contributed in key areas of our international advocacy and partnership.

A meaningful milestone for our internationally dispersed team was the first in-person retreat since before the pandemic, reinvigorating relationships and energising us all. The retreat also allowed us to engage with important strategic discussions of the sort that virtual interactions, however well managed, simply cannot provide, and a new strategic framework will be launched in 2023.

Key index shows improvements

Our flagship output, the Financial Secrecy Index 2022 confirmed a promising trend attributable to the various transparency reforms globally. Although progress was marred by five of the G7 countries in particular – the US, UK, Japan, Germany and Italy – progress elsewhere meant that global financial secrecy was reduced by as much as 5 per cent.

UN stewardship of global tax

In our global advocacy, we have seen dramatic progress in the fruits of a long-term commitment made by the Tax Justice Network and our allies at the Global Alliance for Tax Justice. At a key strategic gathering hosted by Friedrich Ebert Stiftung in Berlin, in 2017, the two organisations committed to jointly prioritise the creation of a globally inclusive intergovernmental tax framework under UN auspices. Such an aspiration is included in foundational policy documents such as 'Tax Us If You Can' (2005), but had not been actively pursued to the same extent as some of the other key solutions that the Tax Justice Network has been working towards. Many – even sympathisers within the broader movement – had thought this to be an impossible aim, because of the committed blocking of G77 attempts by OECD member countries. However, with multi-year core funding (from the Ford Foundation in particular), it was possible to make the kind of long-term commitment that was needed to secure real change. Impossible no more!

This year we saw a major breakthrough. Momentum had already been building through a range of UN and other processes, including the High Level FACTI Panel report in 2021, when pivotal leadership came from the May 2022 declaration of African finance ministers at the Economic Commission for Africa summit. This underpinned Nigeria's shepherding of an Africa Group resolution through the General Assembly, with the result that the Secretary-General has been mandated to produce a report on the options; intergovernmental discussions have been given the go-ahead to start in 2023; and the 78th General Assembly will debate the issue and consider the formal commencement of negotiations.

The General Assembly's unanimous adoption of the resolution marks a seismic shift in tax policy development, from a system that has largely been unrepresentative and ineffective in curbing tax abuse, to creating a space where everybody has a seat at the table, and eventually to a system where everybody pays their fair share.

International tax abuse costs the world – in our conservative estimates – US$483 billion, the best part of half a trillion dollars in lost revenues each year. While OECD countries account for the majority of that sum, the impact is biggest on lower-income countries for whom this accounts for the greatest share of their tax revenues – and for whom that translates most directly into foregone public services upon which people crucially depend. But the OECD has failed to deliver tax reforms that are effective even for its members; and failed to allow meaningful representation for non-members of the OECD. And as we wrote in an open letter to the G20, the OECD has also failed in its stewardship of a key global public good, by failing to publish data that is critical for countries to understand and combat tax abuse – despite having committed to doing so.

Questions of effectiveness aside, the OECD's sphere of influence encompasses 38 member countries, who account for three-fifths of world GDP, three-quarters of world trade - and a mere 18 percent of the world's population. By contrast, the UN umbrella embraces 193 countries, making it a far more appropriate home for global tax policy development.

In 2023, we will work with allies around the world to support governments in preparing national and regional positions for the intergovernmental discussions, and in holding governments to account to ensure that people everywhere can benefit from globally inclusive measures to curb tax abuse.

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:

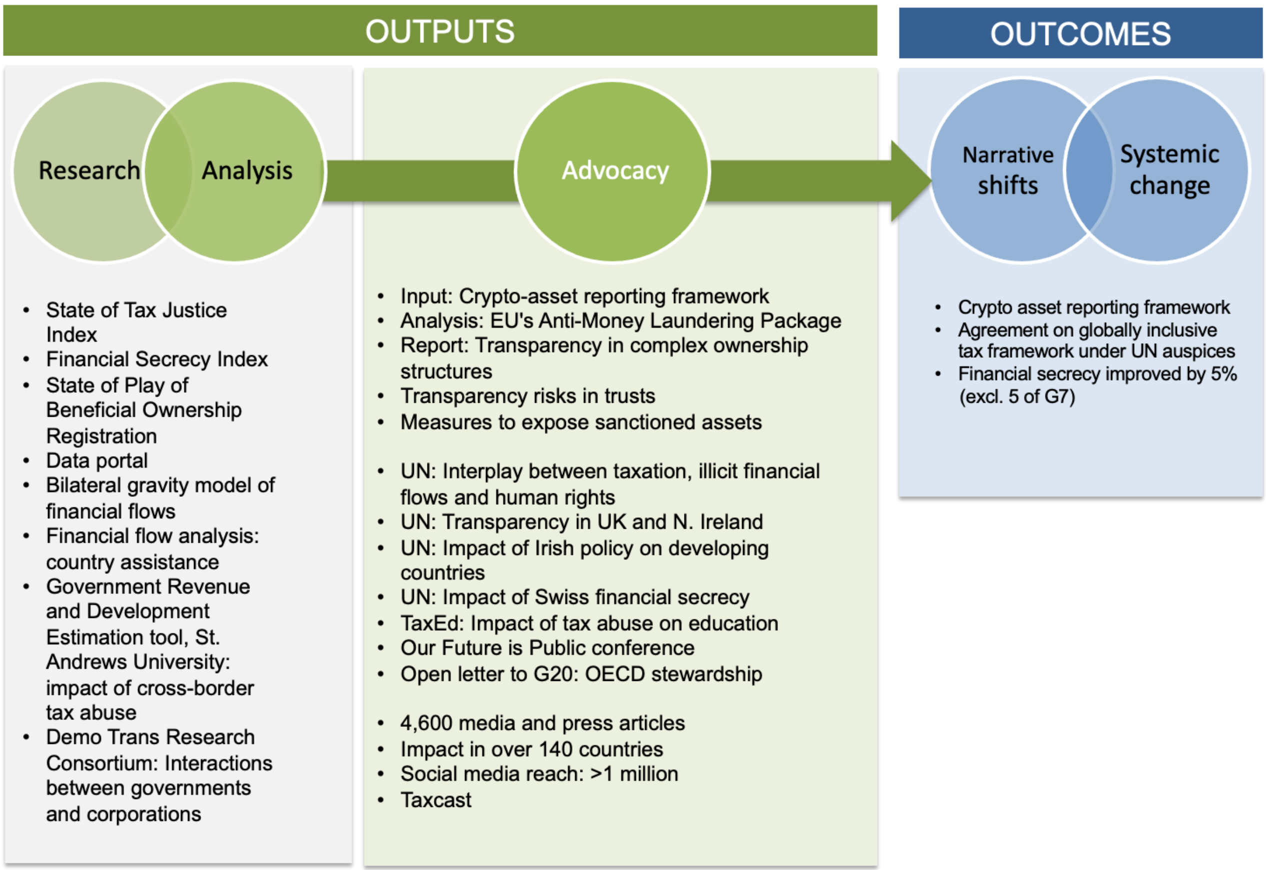
1. To eliminate cross-border tax evasion and limit the scope for tax avoidance, so that large corporations and wealthy individuals pay tax in line with their ability to do so;
2. To increase citizens' influence in the democratic control of taxation, and restrict the power of capital to dictate tax policy 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;
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 2022

In 2022 we continued carrying out analysis, research and advocacy on global tax policy; and pursuing systemic changes and narrative shifts that address the inequalities arising from poorly designed tax policies.

Diagram 1. Overview of key activities, outputs, and outcomes



Flagship publications

This year saw updates to two of the Tax Justice Network's flagship publications: the State of Tax Justice report, and the Financial Secrecy Index.

The State of Tax Justice

At least 1 of every 4 tax dollars lost to multinational corporations using tax havens could be prevented by publishing government-collected transparency data.

In previous years aggregated data from the OECD was used to determine how much tax every country in the world loses to cross-border corporate tax abuse. However, due to the OECD's failure to publish aggregated country by country reporting data as scheduled in July 2022, the Tax Justice Network was unable to produce a full 2022 edition of the State of Tax Justice.

The 2022 stopgap edition of the State of Tax Justice provides new analysis demonstrating the value and impact of country by country reporting data, revealing that public country by country reporting is more than twice as effective as non-public country by country reporting at deterring cross-border corporate tax abuse.

Alongside the report, the Tax Justice Network published an open letter to the leaders of G20 countries urging them to back UN tax leadership, considering the decades-long failure of the OECD to deliver on tax transparency and reform.

Financial Secrecy Index

The 2022 Financial Secrecy Index provides a trove of detailed information on financial secrecy in 141 jurisdictions around the world, which is unprecedented in terms of both scope and coverage. All the underlying data is available on the new Financial Secrecy Index launched this year.

The US climbed to the top of the Financial Secrecy Index's global ranking of countries most complicit in helping individuals to hide their wealth from the rule of law. The US earned the worst rating ever recorded since the Financial Secrecy Index began in 2009. Overall, the supply of financial secrecy services, like those utilised by Russian oligarchs, tax evaders and corrupt politicians, has continued to decrease globally due to various transparency reforms. Progress has been marred by five of the G7 countries in particular – the US, UK, Japan, Germany and Italy – who were responsible for reducing global progress against financial secrecy by more than half. Excluding these five countries, global financial secrecy was reduced by as much as 5 per cent.

Activities across the main solutions

Automatic exchange of information

We participated in the OECD's public consultation meeting, following which the Crypto-Asset Reporting Framework was published, which constitutes a further improvement to the automatic exchange of information. Changes have also been made to the Common Reporting Standard to cover indirect investments in crypto assets through derivatives and investment vehicles.

The framework will require jurisdictions to report on tax information on transactions in crypto-assets, with a view to automatically exchanging such information with the jurisdictions where taxpayers are resident. This marks an important milestone, given the rapid growth of the crypto-asset market.

Beneficial ownership

Our State of Play of Beneficial Ownership Registration report provides an account of legal and beneficial ownership registration frameworks across 141 countries. Almost 100 jurisdictions already have laws in place establishing beneficial ownership registration, where companies, trusts or other types of legal vehicles must file information to a government authority about the natural persons who ultimately own or control them.

We also prepared a comprehensive analysis of what should be improved in the EU's Anti-Money Laundering Package; a report on the transparency risks created by trusts; and a briefing paper on measures to expose sanctioned Russian oligarchs' hidden assets.

In order to deepen a common understanding of complex structures and to develop ways to regulate them, the Tax Justice Network together with other allies organised a roundtable with experts from international organisations, country authorities, civil society organisations, journalists, the private sector and academia. The resulting report explores cases where complex ownership structures were abused to engage in money laundering, corruption, sanctions circumvention, tax abuse, and so on. The paper also unpacks the factors that could create complexity, analyses the pros and cons of different measures, and offers a list of actions that countries should consider.

While beneficial ownership registration has been improved and expanded, the reform still falls short of requiring public access to beneficial ownership information.

An even harsher blow to public access was struck by the EU Court of Justice which invalidated public access to beneficial ownership information, severely curtailing the financial transparency movement. The impact of the judgement will continue to be felt not just across EU countries, but extending to British overseas territories and across the globe. On a more positive note, the ruling has served to galvanise civil society to assess how best to counter the ruling's effects. This will likely be a key focus area for the Tax Justice Network in 2023.

Country by country reporting

An EU directive on public country by country reporting now requires multinationals to publicly report on their activities in member states as well as in jurisdictions in the EU list of non-cooperative jurisdictions.

The Australian government showed global leadership in announcing its own new requirement for multinational corporations to publicly disclose their country by country reporting, with terms that appear to be far broader than that of the EU.

Given the OECD's failure to publish data in 2022, analysis around country by country reporting has been diluted – over and above the usual limitations from only publishing aggregated data. We hope the OECD meet their commitment to address this in 2023; but also that progress on company-level publication soon makes this obsolete.

Disclosure of public data

In 2022 we continued work towards making data more accessible and transparent.

Our new data portal will allow members of the public to explore, download, and use data collected by us, along with variables from various other sources. With the data portal, we aim to provide a one-stop-shop for anyone interested in working with indicators of tax havens and financial secrecy. We expect to launch the data portal for public use in early 2023.

Another significant area of data-intensive work was on estimating the scale of illicit financial flows and on identifying the responsible actors. We have been developing a bilateral gravity model of financial flows which allows us to disentangle licit and illicit financial flows by including indicators of financial secrecy and tax havenry. This new approach allows us to estimate the scale of illicit financial flows across several different channels, across most of the world.

We also continue to maintain our country profile reports (originally launched in 2020) to provide snapshot overviews of each country's comparative losses to tax abuse annually; the social impact of the taxes lost; the tax loss they inflict on other countries by facilitating tax abuse; the country's vulnerability to illicit financial flows; and the country's rankings on the Corporate Tax Haven Index and Financial Secrecy Index respectively.

Disclosure and transparency is not just something we expect from others: the Tax Justice Network has been rated as 'highly transparent' in its funding by Transparify and has been given an A grade for funding transparency by 'Who Funds You?'.

In 2023 we will continue to develop a framework of disclosure requirements for public authorities, designed to support scrutiny and accountability for all areas of tax.

Enforcement by well-resourced and independent tax authorities

Our illicit financial flows analysis has been finding application on a practical level with work being done to help various government authorities to analyse microeconomic data (at the entity or transaction level) to identify illicit financial flows and to effectively design mitigatory policies. In Nigeria, we worked with the tax authority to identify companies that most likely engage in profit shifting, and estimate the semi-elasticity of profits reported by multinationals in Nigeria. We are at various stages of similar work in several other countries, including Ecuador, Uganda, and Ghana. We aim to strengthen this area of work further to optimise our impact on reductions in the scale of illicit financial flows and the resulting tax revenue losses.

In 2023 we will explore the expansion of work to strengthen public narratives around the societal importance of well-resourced and independent tax authorities.

Formulary apportionment with unitary taxation

Throughout 2022, work continued on the OECD's corporate tax reforms – which had been due for completion in 2020, and were announced as a success in October 2021. Sadly, that work saw continuing dilution of ambition, coupled with growing complexity. 'Pillar One' of the reforms was based on the OECD's pledge to go 'beyond the arm's length principle' and finally to implement a unitary approach based on assessing profits at the level of the multinational group (rather than individual entities within each group).

The G-24 intergovernmental group had originally proposed a full shift, and to apportion all profits according to the location of multinationals' real activity. Such a shift would largely curtail profit shifting at a stroke. Sadly, the final proposals look likely now to take an apportionment approach to only a small part of the profits of barely 100 multinationals – leaving all other profits under the arm's length principle. In exchange for the uncertain benefits of this small but complicated measure, countries will be expected to give up most of their freedom to pursue more effective 'unilateral measures' against profit shifting.

There are two positive aspects of this failure, however. First, the OECD process has confirmed – at the behest of the G20 countries – that the arm's length principle is not fit for purpose. Even if Pillar One is widely adopted, which remains uncertain (and undesirable for most), it seems likely to be a matter of time only before calls for broader reform prompt a return to negotiations.

Second, the general acceptance that the OECD process has lost the original ambition is part of the story behind the year's major step forward: the unanimous consensus, including all OECD members, that intergovernmental discussions should begin on a UN framework for international tax cooperation.

Global governance reform and a UN-driven tax policy

The current international tax governance arrangements generate major inequalities in taxing rights between countries and give rise to systemic failures that make it more difficult to achieve human rights progress all around the world. These problems have been evident for many years – as have the solutions.

The Tax Justice Network's submission to the Independent Expert on the interplay between taxation, illicit financial flows and human rights summarised the main failings of the current tax policy development system: progress on international tax and financial transparency measures has both been slow and has largely excluded lower-income countries; the absence of consistent, aggregate statistics on key components of international tax; the failure to deliver a minimum effective tax rate and corporate tax rules based on unitary taxation (to make profit shifting redundant); and the failure to provide an institutional setting in which countries at all levels of income are meaningfully represented, and their preferences transparently and fairly mediated into decision-making.

Establishing a UN tax convention would make sure equitable international tax rules are established through a genuinely representative process and made legally binding. For most of the past century, international tax rules have been primarily determined by a small club of rich countries among which are some of the world's biggest tax havens. The resulting global system causes countries around the world to lose over $483 billion in tax every year to corporate tax abuse and private tax evasion. Analysis shows that OECD countries are responsible for enabling more than three-fourths of these tax losses. While the OECD has acknowledged that current international tax rules are not working, its recent efforts to deliver meaningful reform have failed, largely under pressure from powerful member countries.

The Tax Justice Network has continued to raise the profile of and advocate for a UN tax convention and general UN global tax leadership role in the media and press. The Tax Justice Network put the UN tax convention on the map in November 2020 with the launch of State of Tax Justice 2020, which resulted in the term "UN tax convention" being mentioned in media articles around the world with a reach of 1.7 billion. In comparison, the term gained a reach of just 348,000 in the 7 months prior to November 2020. We continued to boost media coverage on a UN tax convention in 2022. The UN tax convention was discussed in media articles with a reach of 5.25 billion in 2022. 74 per cent of that coverage also mentioned and referred to the Tax Justice Network.

The UN's decision by unanimous consensus at the end of 2022 to adopt a resolution opening the door for negotiations on a UN global tax leadership role was a success of historic importance. Our rolling coverage of the vote helped boost media coverage of the achievement and communicate its importance. The historic decision is likely to mark the beginning of the end of the OECD's sixty-year reign as the world's leading rule maker on global tax, and will now kick off a power struggle between the two institutions with implications for global and local economies, businesses and people everywhere for decades to come. Intergovernmental discussions this year will be crucial in setting the path for this new era of international tax. It is vital that countries in each region of the world follow the African leadership that underpinned this success, and engage together to generate common positions on an ambitious agenda.

It will be of particular importance that the publics of countries in the global North are aware of the size of the opportunity for their governments to move towards collective solutions to cross-border tax abuse – and hold their governments to account for playing a constructive role.

Human rights

Austerity has followed quickly on the heels of the pandemic and the related dual crises of inequalities and climate have sharpened our work on human rights.

Human rights resonate across all of our work. Whether in forging partnerships in advocacy, developing policy solutions, building upon jurisprudence, or collaborating on research, we take particular interest in inequalities and human rights failures. The links to tax justice provide the golden thread that have guided our successes over the last twelve months and will continue in our future work.

Our primary focus lies in articulating the impact that tax injustice has on the ability to secure fundamental human rights. Tax abuse is not a victimless crime – it comes at the expense of being able to fund basic rights like healthcare, education and social security.

We made a joint submission to the UN Human Rights Council Universal Periodic Review. The issues raised centred on the UK's poor record on implementation of financial transparency, including in its crown dependencies and overseas territories. In a separate, second submission to the Committee on the Rights of the Child, we refute the Government of Ireland's assertion that its tax policy does not contribute to tax abuse nor negatively impact the economies of developing countries.

Working in collaboration with the Government Revenue and Development Estimation tool (GRADE) at St. Andrews University and using our data on tax abuse from 2021 we were able to highlight the human rights impact of cross border tax abuse. Recouping the revenues lost to tax abuse would result in 36 million people having access to basic sanitation, 18 million having access to basic drinking water, and almost 7 million children being able to attend school for an extra year. This increased access to sanitation, drinking water and education would have a knock-on effect of reducing mother and child mortality, saving the lives of over 600,000 children and nearly 80,000 mothers over a ten year period.

We presented a follow up report on the impact of financial secrecy and cross border tax abuse facilitated by Switzerland to the UN Committee on the Convention on the Elimination of All Forms of Discrimination against Women. This most recent presentation was an update on an earlier 2016 collaboration. The Committee recognised the continued failure to address the financial secrecy that keeps Switzerland ranked number 2 on our Financial Secrecy Index.

Our advocacy and research strengthened a valuable collaboration with the TaxEd Alliance, analysing the impact of tax abuse on the right to education. Our research supported the advocacy they do and provided graphic illustrations on how the financing of free public education is negatively impacted by tax abuse (with audiences including the Heads of State Transforming Education Summit).

The Our Future is Public Conference gathered social movements and civil society organisations from all over the world in Chile. We contributed to discussions across many sectoral sessions and plenaries aimed at developing strategies and narratives to strengthen public services for the realisation of economic, social and cultural rights and tackle the effects of climate change.

We continued to work on research collaborations with the Government Revenue and Development Estimation tool (GRADE) at St. Andrews University, exploring and illustrating the pervasive impact of tax abuse on rights to health, education and on climate justice.

We have also started work as a contributing partner to the Demo Trans Research Consortium. Over the next three years we will be working with researchers from the universities of Leuven, Charles (Prague), Bergen and Utrecht to explore the interactions between governments and corporations and their impact on accountability and human rights. Demo Trans is funded by the European Commission as part of its Horizon Europe Framework.

Finally, we were also successful in attracting funding to bolster our human rights evidence building activities, to continue to explore how tax justice can provide policy solutions for the dual crises of inequalities and climate justice.

Reaching people

The Tax Justice Network continued to bring tax justice issues to more people through our media and online work in 2022. Our research and commentary was featured in over 4,600 media and press articles in over 140 countries. Our media reach for 2022 was the second highest level of reach on record, being beat by our media reach 2021. Our media reach in 2022 was more than our reach in 2019 and 2020 combined.

Our Tax Justice Network website had 344,000 visits, while our social media posts on Twitter, Facebook and LinkedIn had a combined reach of over 1,024,298.

The astronomical rise in the Tax Justice Network's media reach in recent years was further evidenced in the success of the 2022 edition of our Financial Secrecy Index. The 2022 edition gained more than four times as much media reach as the previous edition of the index did in 2020. The 2020 edition at the time had set a record for highest media reach for the index, gaining more media reach than the two editions before it (2018 and 2015) combined.

Our monthly Taxcast podcasts continue to go from strength to strength. Produced in English, Spanish, Arabic, French and Portuguese, they are available on both the dedicated thetaxcast.com website and on most podcast apps. We have also made them available for any radio station to broadcast. We hope to be adding a new regional podcast to our output in 2023.

During the course of the year, we presented at more than 30 conferences and workshops, and participated in another 30; had more than 18 engagements with global agencies and bodies to help shape tax policy; participated in over 30 media interviews; and provided comprehensive assistance on more than 20 country-specific issues.

Financial review

In 2022 our overall income amounted to £2,445,137 (£2,136,003 from grants, £283,367 from other income, £25,767 from donations) which was a 16% decrease on 2021.

A significant amount of the grant income was again from Norad, as part of their multi-year support for our work in Africa and Latin America. In addition we received grants from new funders including Wellspring Philanthropic Fund and Laudes Foundation. Our funds come from a variety of sources: foundations, research grants, governments, NGOs and individuals. Grants received are listed below and our other income mostly comprised writing fees and individual donations.

We received, in 2022, £20,162, 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 2022: Andrew Green; and Sue Ward.

In 2022, we gave a grant of £9,000 to The Balanced Economy Project, to support it as it fledged out of Tax Justice Network to become an independent organisation. We also gave a grant of €4,000 to Unione Inquilini Padova to support their attendance at the Future is Public conference 2022.

We do not employ any dedicated fundraising staff. We estimate that we spend under 1.1% of our total budget on fundraising activities.

Our overall expenditure stood at £1,776,263, a 12% increase on 2021, with staff costs being the most significant cost line at £1,300,008 (73%). Our staffing levels saw an increase on 2021 and we ended the year with a total employee and contractor base of 34 individuals and a 25 full-time equivalent.
Governance and Support costs remained relatively stable as a percentage of overall expenditure (16% in 2018; 14% in 2019 and 13% in 2020, 15% in 2021 and 13% in 2022).

The closing position of the funds sees £2,057,520 of restricted funding being carried forward for use by the relevant project activity in 2023 and beyond. General unrestricted reserves currently stand at £1,101,901 which represents 7 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 the continued support from our funders and with present confirmed restricted and unrestricted funds we are positive about Tax Justice Network's ability to continue operations and our impactful work.

Full list of current funding as of 31 December 2022

Note: this list includes funding whose performance period includes some or all of the year 2022. "Value" refers to the total value of the funding over the entire agreement period.

Description	Funder	Value	Starts	Ends
Core funding	Open Society Foundations	$500,000	12/2021	06/2023
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	04/2023
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
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
TaxEd Alliance - Education Out Loud	Action Aid/Oxfam Ibis	$89,268	02/2021	08/2023
The Interchange Between Democratic Institutions and the Globalisation of the Economy (DemoTrans)	UKRI – Horizon Europe Guarantee	£98,385	09/2022	08/2026
Tax Justice and Human Rights in International Policy	Wellspring Philanthropic Fund	$300,000	09/2022	08/2024
Carbon Tax Justice	Laudes Foundation	£209,114	10/2022	07/2024
ICRICT (Global Tax Reform)	Luminate	$341,667	09/2021	01/2025
ICRICT (A Gender-Just and Rights-Based Economy)	Wellspring Philanthropic Fund	$700,000	01/2022	12/2024

Description	Funder	Value	Starts	Ends
CICTAR (OSF Sub-grant)	Public Services International	$105,000	10/2021	12/2022
CICTAR (Organisational Support)	Laudes Foundation	€98,534	07/2022	07/2023
CICTAR (Support)	Joffe Charitable Trust	£31,500	11/2022	10/2023

Organisational strengthening and development

Our people

Tax Justice Network is a remote organisation with our team currently based in 18 countries. We embrace flexible working practices with over two thirds of the team working part time in different hours arrangements and over different time zones.

Though we invest in meeting virtually, both at weekly team meetings and for strategic sessions it was a highlight of the year for the team to be able to meet physically in October 2022, for the first time since February 2020, and spend time discussing our new strategic framework and to have time to focus on individual, team and organisational development.

At the very end of 2021 we began the process to recruit additional non-executive Directors to our Board. An open advertisement was placed with 35 high calibre individuals applying. At our Annual General Meeting of members in July 2022 6 new Directors who bring a broad range of experience and perspective were appointed.

Fundraising

Through managing a pipeline of fundraising approaches we seek to ensure that we have income that is sufficient to cover our costs for a rolling 2 year period.

We look to have a portfolio of a variety of donor types including bilateral government funds, foundations, trusts and individuals and seek as many long term commitments as we can for the stability of the organisation and our team members.

In 2021 we described our desire to seek funding for work to address the climate crisis through tax justice and we were thrilled in 2022 to secure £209,114 from the Laudes Foundation for us to develop our work in this area. We also received $300,000 funding, from another new foundation, Wellspring, to further our human rights work. New funding was also secured, for us as a UK registered organisation via the UK Research Innovation department, for a project looking at the Interchange between democratic institutions and the globalisation of the economy which is in partnership with KU Leuven, Belgium, Charles University, Czechia, Utrecht University, the Netherlands and University of Bergen, Norway.

We currently host two organisations, the Independent Commission for the Reform of International Taxation (ICRICT) and the Centre for International Corporate Tax Accountability and Research (CICTAR) who both secured sizeable new grants in 2022, and their income accounted for 28% of our total income. Both organisations are looking to fledge from us to become independent organisations in 2023.

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.

Both our Board and complete staff team are comprised of more than 60% women and are based throughout the globe including Latin America, Africa and Europe. We have recently selected from our Board of directors Irene Ovonji-Odida to be Chair and Nara Monkam Vice Chair bringing Global South representation to these roles for the first time in our history.

Governance and accountability

Governing document

The Tax Justice Network is governed by its articles of association, which were updated in 2019 and 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; and
- 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 SMT);
- 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 (e.g. helping to develop or endorsing their policies);
- Resolving any disputes between SMT members that cannot be resolved through dialogue; and
- Hearing appeals from staff on decisions made by the SMT 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 SMT, as also set out above. All members are routinely consulted either by the board or by the SMT 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 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

The auditors, Godfrey Wilson Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 6 June 2023 and signed on its behalf.

Irene Ovonji-Odida

Irene Ovonji-Odida, 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 2022 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 2022 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.

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.

Rob Wilson

Date: 8 June 2023

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 2022

	Note	Restricted £	Unrestricted £	**2022 Total £**	2021 Total £
Income from:					
Donations and legacies	3	5,605	20,162	**25,767**	774,889
Charitable activities	4	2,136,003	234,639	**2,370,642**	2,117,965
Other trading activities	5	11,731	33,646	**45,377**	29,279
Investments		197	3,154	**3,351**	442
Total income		2,153,536	291,601	**2,445,137**	2,922,575
Expenditure on:					
Raising funds		-	14,886	**14,886**	7,125
Charitable activities		1,479,582	281,795	**1,761,377**	1,575,390
Total expenditure	7	1,479,582	296,681	**1,776,263**	1,582,515
Net income / (expenditure)		673,954	(5,080)	**668,874**	1,340,060
Transfers between funds		46,615	(46,615)	**-**	-
Net movement in funds	8	720,569	(51,695)	**668,874**	1,340,060
Reconciliation of funds:					
Total funds brought forward		1,336,951	1,152,596	**2,489,547**	1,149,487
Total funds carried forward		2,057,520	1,100,901	**3,158,421**	2,489,547

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.

Tax Justice Network

Balance sheet

As at 31 December 2022

	Note	£	**2022** £	2021 £
Fixed assets				
Tangible assets	11		**7,479**	7,315
Current assets				
Debtors	12	**297,206**		180,509
Cash at bank and in hand		**2,983,511**		2,441,042
		3,280,717		2,621,551
Liabilities				
Creditors: amounts falling due within 1 year	13	**(129,775)**		(139,319)
Net current assets			**3,150,942**	2,482,232
Net assets	14		**3,158,421**	2,489,547
Funds	15			
Restricted funds			**2,057,520**	1,336,951
Unrestricted funds				
Designated funds			**-**	370,359
General funds			**1,100,901**	782,237
Total funds			**3,158,421**	2,489,547

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 6 June 2023 and signed on their behalf by

Irene Ovonji-Odida

Irene Ovonji-Odida, Director

Tax Justice Network

Statement of cash flows

For the year ended 31 December 2022

	2022	2021
	£	£
Cash used in operating activities:		
Net movement in funds	**668,874**	1,340,060
Adjustments for:		
Depreciation charges	**3,936**	2,786
Interest from investments	**(3,351)**	(442)
(Increase) / decrease in debtors	**(116,697)**	22,772
Increase / (decrease) in creditors	**(9,544)**	58,078
Net cash provided by operating activities	**543,218**	1,423,254
Cash flows from investing activities:		
Purchase of tangible fixed assets	**(4,100)**	(7,147)
Interest from investments	**3,351**	442
Net cash used in investing activities	**(749)**	(6,705)
Increase in cash and cash equivalents in the year	**542,469**	1,416,549
Cash and cash equivalents at the beginning of the year	**2,441,042**	1,024,493
Cash and cash equivalents at the end of the year	**2,983,511**	2,441,042

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, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the company's ability to continue as a going concern.

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:

	2022	2021
Raising funds	**1.1%**	0.6%
Charitable activities	**98.9%**	99.4%

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 £	**2021 Total £**
Income from:			
Donations and legacies	19,076	755,813	**774,889**
Charitable activities	2,058,979	58,986	**2,117,965**
Other trading activities	-	29,279	**29,279**
Investments	38	404	**442**
Total income	2,078,093	844,482	**2,922,575**
Expenditure on:			
Raising funds	-	7,125	**7,125**
Charitable activities	1,122,989	452,401	**1,575,390**
Total expenditure	1,122,989	459,526	**1,582,515**
Net income	955,104	384,956	**1,340,060**
Transfers between funds	56,714	(56,714)	**-**
Net movement in funds	1,011,818	328,242	1,340,060

3. Income from donations and legacies

	Restricted £	Unrestricted £	**2022 Total £**
Donations	5,605	20,162	**25,767**

Prior period comparative

	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

4. Income from charitable activities

	Restricted £	Unrestricted £	**2022 Total £**
Norad	992,652	-	**992,652**
Financial Transparency Coalition	27,885	-	**27,885**
DemoTrans	5,542	-	**5,542**
Wellspring Philanthropic Fund	135,179	-	**135,179**
Laudes Foundation	139,114	-	**139,114**
FCDO - CIEP	105,853	-	**105,853**
Education Out Loud	33,368	-	**33,368**
GIZ - Balkans	-	(357)	**(357)**
GIZ - New Framework	(7,012)	-	**(7,012)**
ICRICT	598,935	-	**598,935**
CICTAR	104,487	-	**104,487**
DG FISMA – CSABOT	-	234,996	**234,996**
Total income from charitable activities	2,136,003	234,639	**2,370,642**

4. Income from charitable activities (continued)

Prior period comparative:

	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	233,796	-	233,796
CICTAR	63,812	-	63,812
DG FISMA – CSABOT	-	58,986	58,986
Total income from charitable activities	2,058,979	58,986	2,117,965

5. Income from other trading activities

	Restricted £	Unrestricted £	**2022 Total £**
Consultancy	11,731	3,646	**15,377**
Licencing fees	-	30,000	**30,000**
Total income from other trading activities	11,731	33,646	**45,377**

Prior period comparative

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

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 2022 was £1,098,505 (2021: £702,359). There are no unfulfilled conditions or contingencies attaching to these grants in 2022.

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	**2022 Total £**
Staff costs (note 9)	12,303	1,124,567	163,138	**1,300,008**
Research and advocacy	-	96,565	750	**97,315**
Events	-	47,851	-	**47,851**
Media outputs	-	89,976	-	**89,976**
ICRICT direct costs	-	78,086	-	**78,086**
CICTAR direct costs	-	78,198	-	**78,198**
Audit and accountancy	-	-	20,170	**20,170**
Bank charges	-	-	7,813	**7,813**
Depreciation	-	-	3,936	**3,936**
Insurance	-	-	1,784	**1,784**
Website and digital marketing	-	-	11,967	**11,967**
Legal and professional	-	-	2,718	**2,718**
Light, power and heating	-	-	1,963	**1,963**
Staff conferences	-	-	25,631	**25,631**
Professional development and HR	-	-	4,784	**4,784**
Office costs	-	-	19,706	**19,706**
Subscriptions	-	9,993	10,676	**20,669**
Gain on foreign exchange	-	-	(36,312)	**(36,312)**
Sub-total	12,303	1,525,236	238,724	**1,776,263**
Allocation of support and governance costs	2,583	236,141	(238,724)	-
Total expenditure	**14,886**	**1,761,377**	**-**	**1,776,263**

Total governance costs were £36,302.

7. Total expenditure (continued) - prior period comparative

	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.

8. Net movement in funds

This is stated after charging:

	2022	2021
	£	£
Depreciation	**3,936**	2,786
Directors' remuneration	**319,069**	316,797
Directors' reimbursed expenses	**8,284**	583
Auditors' remuneration:		
• Statutory audit (including VAT)	**10,320**	8,940
• Other services (restricted project audits, including VAT):	**2,340**	2,340

Directors' reimbursed expenses comprise amounts paid to six directors relating to travel, legal and home office expenses (2021: two directors).

9. Staff costs and numbers

Staff costs were as follows:

	2022	2021
	Total	Total
	£	£
Salaries and wages	**746,882**	703,979
Social security costs	**120,527**	114,828
Pension costs	**68,415**	65,847
Freelance staff	**364,184**	257,285
	1,300,008	1,141,939

Two employees earned between £60,000 and £70,000 during the year (2021: two).

The key management personnel of the company comprise the Directors, five of whom are employed as Chief Executive; Director, Tax Justice & Human Rights; Director, Financial Secrecy & Governance; Interim Director, Financial Secrecy & Governance; and Director, Operations & Communications. The total employee benefits of the key management personnel were £319,069 (2021: £316,797).

9. Staff costs and numbers (continued)

	2022	2021
	No.	No.
Average head count	**19.67**	19.10

10. Taxation

	2022	2021
	£	£
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	**127,086**	254,611
Deduct surplus on non-taxable income	**(127,086)**	(254,611)
Total current tax charge	**-**	-

11. Tangible fixed assets

	Computer and office equipment Total £
Cost	
At 1 January 2022	**25,269**
Additions in year	**4,100**
At 31 December 2022	**29,369**
Depreciation	
At 1 January 2022	**17,954**
Charge for the year	**3,936**
At 31 December 2022	**21,890**
Net book value	
At 31 December 2022	**7,479**
At 31 December 2021	7,315

12. Debtors

	2022 £	2021 £
Trade debtors	**2,801**	200
Prepayments	**15,060**	12,120
Accrued income	**279,345**	166,354
Employee loan	**-**	1,835
	297,206	180,509

13. Creditors : amounts due within 1 year

	2022	2021
	£	£
Trade creditors	**24,208**	14,528
Taxation and social security	**29,974**	23,642
Accruals	**75,593**	101,149
	129,775	139,319

14. Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	**Total funds**
	£	£	£	**£**
Tangible fixed assets	-	-	7,479	**7,479**
Current assets	2,057,520	-	1,223,197	**3,280,717**
Current liabilities	-	-	(129,775)	**(129,775)**
Net assets at 31 December 2022	**2,057,520**	**-**	**1,100,901**	**3,158,421**

Prior period comparative	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**

15. Movements in funds

	At 1 January 2022 £	Income £	Expenditure £	Transfers between funds £	**At 31 December 2022 £**
Restricted funds					
Norad	297,241	992,848	(691,069)	66,118	**665,138**
Financial Transparency Coalition	20,225	27,885	(46,437)	-	**1,673**
EU - TRACE	433,881	-	(173,928)	-	**259,953**
DemoTrans	-	5,542	(5,542)	-	**-**
Wellspring	-	135,179	(1,065)	-	**134,114**
Laudes	-	139,114	-	-	**139,114**
Arnold Ventures	298,525	-	(131,568)	-	**166,957**
FCDO - CIEP	-	105,853	(105,853)	-	**-**
Education Out Loud	25	33,368	(16,176)	-	**17,217**
GIZ - New Framework	7,191	(7,012)	(179)	-	**-**
Tax Justice Italy	686	-	-	-	**686**
Hosted					
CICTAR	36,718	116,218	(126,425)	(5,811)	**20,700**
ICRICT	242,459	604,541	(181,340)	(13,692)	**651,968**
Total restricted funds	1,336,951	2,153,536	(1,479,582)	46,615	**2,057,520**
Unrestricted funds					
Designated funds:					
Open Society Foundations core grant	370,359	-	-	(370,359)	**-**
Total designated funds	370,359	-	-	(370,359)	**-**
General funds	782,237	291,601	(296,681)	323,744	**1,100,901**
Total unrestricted funds	1,152,596	291,601	(296,681)	(46,615)	**1,100,901**
Total funds	2,489,547	2,445,137	(1,776,263)	-	**3,158,421**

15. Movements in funds (continued)

Purposes of restricted funds

Norad	"Financial Secrecy and Tax Advocacy in Africa" (FASTA) project, "Financial Secrecy and Tax Advocacy in Latin America" (FASTLA) project, "Financial Integrity Advocacy and FACTI Policy Tracker" extension project and "Tax Shift" project.
Financial Transparency Coalition	2022 work plans focusing on beneficial ownership, asset registries and tax justice and human rights.
EU - TRACE	European Commission: "Tracking illicit money flows" project.
DemoTrans	"The Interchange Between Democratic Institutions and the Globalisation of the Economy" European Commission consortium project, participation in which is funded by UKRI under the Horizon Europe Guarantee programme.
Wellspring	"Tax justice and human rights in international policy" project.
Laudes	"Carbon tax justice" 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.
FCDO - CIEP	"Combatting illicit financial flows in Latin America through geographical risk analysis" project.
Education Out Loud	The TaxEd Alliance "Education Out Loud" project.
GIZ - New Framework	"Combatting Illicit Financial Flows (Global)" project.
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.

15. Movements in funds (continued)

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.

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.

Prior period comparative

	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

15. Movements in funds (continued)

Prior period comparative (continued)

	At 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2021 £
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

16. Related party transactions

During the year, one donation of £70 was made to the company by directors (2021: £1,100). There were no other related party transactions in the year.

Tax Justice Network,
C/O Godfrey Wilson Ltd,
5th Floor Mariner House,
62 Prince Street,
Bristol, England BS1 4QD
Company No 05327824

Date:
6 June 2023

To:
Rob Wilson FCA

Address:
Godfrey Wilson Limited
Chartered Accountants &
Statutory Auditors,

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Dear Rob

Letter of Representations on the Financial Statements for the Year Ended 31 December 2022

This representation letter is provided in connection with your audit of the financial statements of the company for the year ended 31 December 2022.

We confirm that the following representations are made on the basis of enquiries of the directors, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter dated 16 October 2019, under the Companies Act 2006 for preparing financial statements, in accordance with 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).

   We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31 December 2022.

2. We confirm that all accounting records have been made available to you for the purpose of your audit, in accordance with your terms of engagement, and that all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management, directors' and members' meetings, have been made available to you. We have given you unrestricted access to persons within the company in order to obtain audit evidence and have

provided any additional information that you have requested for the purposes of your audit.

3. We acknowledge that it is a criminal offence to make a false statement in this regard, and where any director either makes a false statement; is aware that the statement is false; is reckless in preventing this statement; or fails to take reasonable steps to prevent the directors' report from being approved, we acknowledge that each director will be guilty of a criminal offence.
4. We confirm the company has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.
5. We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm that we have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
6. We confirm that the company has no liabilities or contingent liabilities other than those disclosed in the financial statements.
7. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework.
8. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
9. We confirm that we are aware that a related party of the company is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the company or vice versa and as a result will include: directors, other key management, close family and other business interests of the previous. We confirm that the related party relationships and transactions set out in appendix 1 are a complete list of such relationships and transactions and that we are not aware of any further related parties or transactions.
10. We confirm that the company neither had, at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the company) for directors, nor provided

guarantees of any kind on behalf of the directors except as disclosed in the financial statements.

11. We confirm that the company has not contracted for any capital expenditure other than as disclosed in the financial statements.
12. We confirm that the company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
13. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its activities and which are central to the company's ability to conduct its activities, except as explained to you and as disclosed in the financial statements.
14. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the organisation. There have been no deficiencies in internal control of which we are aware.
15. We confirm that there have been no actual or suspected instances of fraud involving directors, management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by directors, former directors, employees, former employees, regulators or others.
16. We confirm that, in our opinion, the company's financial statements should be prepared on the going concern basis on the grounds that current and future sources of revenue and the availability of funds will be more than adequate for the company's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, and have considered a period of at least one year from the date on which the financial statements will be approved.
17. We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is set out in the management letter.
18. We confirm that, in respect of the restatement to correct a material misstatement in prior period financial statements that affects the comparative information (and any other period covered by your work), the adjustment relates to a change in accounting policy as we believe that the new accounting policy

is more appropriate, and accordingly, to ensure the consistency of accounting treatment between periods, it is necessary to restate the current and corresponding periods on the basis of the new policy.

19. We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that: (a) so far as each director is aware, there is no relevant audit information of which you as auditors are unaware; and (b) each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

20. We acknowledge that it is a criminal offence to knowingly or recklessly make you as an auditor, a statement (oral or written) that conveys, or purports to convey, information or explanations that you require in your capacity as auditor, or are entitled to require, that is misleading, false or deceptive in a material particular.

21. We confirm the following specific representations made to you during the course of the audit:

    (a) The directors are satisfied that there is no material liability for corporation tax to accrue this year.

Yours sincerely

Irene Ovonji-Odida

Irene Ovonji-Odida

For and on behalf of the directors of Tax Justice Network

Appendix 1: Summary of Related Parties

No related parties in the year.