

tax justice
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ANNUAL REPORT 2019

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Success stories

As we reflect on our progress in 2019 we in particular wish to highlight two achievements: our virtual conference on global taxing rights and the launch of our first Corporate Tax Haven Index.

The genie is out of the bottle: OECD tax reform and our virtual conference on global taxing rights



In 2019, the Organisation for Economic Co-operation and Development (OECD) process to reform the international tax rules for multinationals came to a critical point. The proposals drafted by the OECD secretariat had drawn widespread criticism. Not only had the proposals side-lined the perspectives of countries who are not members of the OECD, the US threatened to impose trade sanctions on France, undermining the agreement between the two countries which the OECD had based its approach to reform on. Among the uncertainty, however, it had become clear that the dramatic policy shift to taxing multinationals on their global profits, rather than treating each subsidiary separately, was now entrenched. The question was, where would things go from here?

To help answer that, the Tax Justice Network held a virtual conference in December 2019 titled, *Where next for global taxing rights? Technical and political analyses of the OECD tax reform*. The keynote speeches, presentations and discussions focused on assessments of the revenue redistribution between countries that

various proposals could generate, and on the political prospects for the process as a whole. We were delighted to have high-level contributions from key international organisations, including the OECD secretariat. The debate was sharp and the degree of consensus was unexpectedly strong.

The last panel of World Bank and IMF speakers, confirmed by the OECD's Ben Dickson came to a very clear conclusion: there is 'no turning back' on either the shift to a unitary tax approach, an approach we have long called for, or on the political imperative of addressing global taxing rights. "The genie is", well and truly, "out of the bottle." For more analysis of the policy issues discussed on the day, see the conference blog: [*Global taxing rights: the genie is out of the bottle*](#).

For reflections on our first experience of organising a fully virtual, global conference, see [*Making our conference virtual saved a year's worth of 60 households' energy emissions*](#). The programme, slides and videos of all of the virtual conference sessions are [available online](#).

The axis of tax avoidance: a new ranking of corporate tax havens published



Decades of tax wars among the world's richest countries are unravelling the century-old global corporate tax system with forty per cent of today's cross-border direct investments reported by the International Monetary Fund (IMF) – \$18 trillion in value – being booked in just 10 countries that offer corporate tax rates of 3 per cent or less.

In May 2019 we published, for the first time, the Corporate Tax Haven Index. The first ever study of its size and scope that ranks countries by their complicity in global corporate tax havenry. The index scores each country's tax system based on the degree to which it enables corporate tax avoidance. Each country's corporate tax haven score is then combined with the scale of corporate activity in the country to determine the share of global corporate activity put at risk of tax avoidance by the country. The greater the share of global corporate activity jeopardised by the country's tax system, the higher the country ranks on the index.

The 2019 Corporate Tax Haven Index identified the UK and a handful of OECD countries as the jurisdictions most responsible for the breakdown of the global corporate tax system – with the UK bearing the lion's share of responsibility through its controlled network of satellite jurisdictions. These countries have aggressively undermined the ability of governments across the world to meaningfully tax multinational corporations.

An estimated \$500 billion in corporate tax is dodged each year by multinational companies,

enough to pay the UN's humanitarian aid budget 20 times over every year.

Our research captured a global corporate tax war waged by the UK through its network of satellite jurisdictions across the world. The data also revealed an aggressive annexation of low-income countries' tax rights by the UK and OECD countries including France and Sweden.

The ten countries that have done the most to proliferate corporate tax avoidance and break down the global corporate tax system are:

1. *British Virgin Islands (British territory)*
2. *Bermuda (British territory)*
3. *Cayman Islands (British territory)*
4. *Netherlands*
5. *Switzerland*
6. *Luxembourg*
7. *Jersey (British dependency)*
8. *Singapore*
9. *Bahamas*
10. *Hong Kong*

The UK, with its network of satellite jurisdictions, the Netherlands, Switzerland and Luxembourg together accounted for half of the world's corporate tax avoidance risk, earning them the label of "axis of tax avoidance. The Corporate Tax Haven Index compliments our Financial Secrecy Index, which ranks countries by their contribution to global financial secrecy with a focus on individuals, as opposed to multinational corporations.

More information about the Corporate Tax Haven Index is available [here](#).

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)

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ending 31 December 2019. 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

At the time of writing of this report, the world is gripped by a global pandemic unprecedented in living memory. Covid-19 has exposed and deepened the intersecting inequalities that scar our societies, and their structurally racist, sexist and ableist character. The energy of the tax justice movement at this time is fully focused on the present and future: the struggle to make sure that, despite the damage done, this strange period can become a platform for the radical changes needed.

Looking back to 2019 already seems distant; but the progress made on tax justice, and reported on below has proven to be even more important in strengthening the basis from which that struggle is now underway. As governments seek to protect their people, businesses and economies in the coming months and years, the need to reprogramme our tax systems to prioritise people's wellbeing over the interests of the wealthiest corporations has never been more urgent.

Last year, we built on the foundation of the steps taken in 2018 to provide leadership in high-level policy and advocacy across the tax justice ecosystem, and to strengthen our governance and our capabilities in key areas:

Organisational strengthening

Governance

We recruited an additional non-executive board member, Yamini Mishra. She is the Director of Amnesty International's Gender, Sexuality and Identity Programme, and was previously the Executive Director of the Centre for Budget and Governance Accountability in Delhi. She is on the Advisory

Group of the UN Secretary General's High-Level Panel on Financing for Gender Equality. We also promoted Will Snell, Tax Justice Network's Head of Operations, to the role of Director of Operations, with a seat on the board as an executive director.

Ecosystem

With the establishment of the post of Network Coordinator, and a concerted effort to reach out to regional partners directly as well as through the Global Alliance for Tax Justice (GATJ) and the Financial Transparency Coalition (FTC), of which our team member Andres Knobel has now ended his term as chair, we have continued to build relationships within the broader movement, and also now have the capacity to begin systematising our relationships with national tax justice networks. A new tax justice network has been established in Italy, with the process underway in Ukraine as well as the gradual revival of the dormant organisation in the US. The Australian and Norwegian networks have continued to be particular points of strength, and Tax Justice UK has carved out a clear niche on domestic policy including wealth taxation. The return of the annual conference to London saw an exceptionally well attended and high-quality event, and we closed the year by piloting a global, virtual conference that demonstrated our convening power to pull in all of the major international organisations, including the G24, that are working on the reform of international tax rules.

Strategic planning

We received useful consulting support from Spring Strategies, funded by the Ford

Foundation, on strategic finance (financial management and fundraising), which has helped us to clarify some of our immediate priorities in terms of reserves management, budgeting, funder diversification, funder alignment to our core strategy, and so on. We began the process of planning our strategic priorities and activities for the next strategy period (from 2022 to 2025). In support of this we hired a consultant to scope the opportunities for the Tax Justice Network to work on the intersection between climate and tax, and we plan to begin some limited work in this area in 2020 based on the recommendations that the consultant made in October 2019.

Short-term outcomes

Tax justice was increasingly recognised in UN human rights processes in 2019. In February 2019, the United Kingdom reported to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) Committee about its evaluation of the UK's progress on meeting its human rights obligations to women. We submitted a detailed report on UK financial instruments and fiscal policies that impact on women's needs, interests and substantive equality, including the impact of regressive tax policies on women and girls. The Committee drew attention to the fact that some UK Overseas Territories and Crown Dependencies have been given the freedom by the UK not to sign and ratify the CEDAW treaty convention, as well as to the UK's central role in facilitating financial secrecy and its pivotal role in the 'web' of jurisdictions facilitating illicit financial flows. The Committee's recommendations aligned with the Tax Justice Network's financial transparency policy recommendations.

2019 also saw progress towards establishing tax justice in broader UN processes. A

significant disappointment was offset by progress in two areas. Draft text for a UN General Assembly (UNGA) Second Committee resolution calling for a UN tax convention was ultimately not adopted by the G77, and hence never debated, because of the depth of opposition from the US and other OECD countries. More positively, the indicators of illicit financial flows for Sustainable Development Goal (SDG) 16.4 were confirmed as now having Tier II status, an important step towards possible confirmation of the specific measures we have proposed. In addition, the Nigerian and Norwegian presidencies of the UNGA and the UN Economic and Social Council respectively have combined to create a global panel, to be announced in early 2020 and to run to early 2021, on the specific reforms needed to the global financial architecture to combat illicit flows. In the context of US and wider OECD resistance to any UN progress, this represents the best possible opportunity to ensure that an intergovernmental tax body is pursued. Our inputs were sought on both the proposal and potential panellists, and we expect to have a strong engagement with the announced panel.

The Financial Secrecy Index (most recently published in 2018) continued to grow in profile, recognition and influence and has been increasingly covered in media outreach, in policy discussion, and in academic research. The Corporate Tax Haven Index (launched in 2019) enjoyed strong global media coverage (see below). In policy terms, the Financial Secrecy Index and Corporate Tax Haven Index were utilised in concrete ways during government analysis, discussion, and to influence policy changes. A few examples from 2019 include:

- US Senators citing the Financial Secrecy Index in Judiciary Committee Hearings and in a speech on transparency

- The Italian antitrust agency using Financial Secrecy Index data on tax avoidance in a presentation to Parliament
- Nigerian President Muhammadu Buhari quoting the Tax Justice Network in an address to the High-Level National Side-Event organised by the African Union Development Agency and New Partnership for Africa's Development (AUDA-NEPAD)
- Canada amending the Canada Business Corporations Act following the country's unfavourable ranking in the Financial Secrecy Index
- Senegalese President Macky denouncing a double tax treaty between Senegal and Mauritius following the launch of the Corporate Tax Haven Index
- The Andean Parliament issuing a declaration saluting and welcoming the Corporate Tax Haven Index on its release
- The Dutch Minister of Finance suggesting that tax rulings should be made public after front page news on the launch of the Corporate Tax Haven Index
- Several countries introducing beneficial ownership registers in 2019, as picked up by research carried out for the forthcoming 2020 edition of the Financial Secrecy Index (see below), and as promoted by us at influential fora including the IMF and World Bank autumn meetings and the Financial Action Task Force 'inclusive forum' meeting in May

Long-term outcomes

January 2019 saw the launch of an OECD tax reform process that in three aspects is closer to the Tax Justice Network proposals than any discussion in this sphere since the League of Nations in the 1930s. Specifically:

- The OECD announced the intention – indeed, the necessity – to go “beyond

the arm's length principle”, and in effect to include (in Pillar One of the reforms) a unitary taxation approach as we have long called for

- The OECD also announced the intention to develop a global minimum tax rate (under Pillar Two), to draw a line under the race to the bottom
- The BEPS 'Inclusive Framework' then agreed a work programme including a proposal put forward by lower-income countries in the G24 group, for a formulary apportionment approach that closely resembles the longstanding Tax Justice Network proposal

The subsequent process has seen the OECD and many countries individually using country by country reporting data in an attempt to understand the implications of various proposals. Our analysis published jointly with the Independent Commission for Reform of International Corporate Taxation (ICRICT) was influential both in shaping the global media coverage to the OECD secretariat's attempt to dilute the Inclusive Framework proposals on Pillar One, and also in influencing the positions taken by the G24 and other participants in the process. While it remains likely that OECD member countries, especially France and the US, will exert disproportionate influence and ensure a limited outcome, as participants at our virtual conference concluded, “the genie is out of the bottle.” If not in 2020, then soon, we expect to see meaningful progress towards unitary taxation including the potential for its adoption by individual countries and regional blocs. The influence of lower-income countries collectively is likely to grow too, regardless of whether the OECD is able to maintain its grip as the forum for international tax rule-setting.

Meanwhile, the European Union introduced a mandatory reporting requirement for tax

planning schemes. We provided written testimony at the public hearing by the finance committee of the German parliament upon transposition of this EU directive into German law.

Research undertaken ahead of the publication of the 2020 Financial Secrecy Index shows that, since 2018, there have been significant policy changes relating to anonymous ownership across the world. For example, the number of countries that were included in the 2018 index that have passed laws requiring beneficial ownership registration with a

government authority has increased from 34 to 68 between 2018 and 2020.

A handwritten signature in black ink, appearing to read "Alex Cobham".

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).

2018-2021 strategy

Over this strategy period the Tax Justice Network is expanding its work programme alongside building on and strengthening the organisation's systems, processes and procedures.

This period is a critical one for the Tax Justice Network, as we transition in two ways: from the successful tenure of the founding chief executive and into a new phase of significant organisational strengthening; and continuing our development from an outsider, expert network seeking to open doors and put tax justice on the agenda, into a role of intellectual leadership within the growing global tax justice movement and where we have already ensured our issues are near the top of the international policy agenda.

It is little more than four years since we faced a funding crunch that required directors to consider not taking their full salaries. We were and remain resolved not to find ourselves in that position again and risk the future of the Tax Justice Network, or its role at the heart of an important movement challenging global inequalities.

To that end, we seek and are building a diverse base of funders who provide both general and specific support. This will allow us to deliver on our strategic workstreams and to build reserves of up to a year of operating costs. We have also put in place, for the first time, a small layer of support staff which will free up both staff and directors to focus on our mission.

By the end of 2021, we expect to have made demonstrable progress in “changing the weather” around tax and tax justice. This includes clear successes in the international implementation of the policy platform of the ABC of tax transparency (automatic exchange of information, beneficial ownership and country by country reporting), strengthening the linkage between inequalities and tax justice and to have contributed to the development both of a fairer international architecture for tax policymaking, and to the next generation of tax justice policies.

Crucial to that mission will be the deepening of our role at the heart of the tax justice movement, and the multiple overlapping networks that it contains; the further development of a powerful communications function; and the creation of a high-level influencing strategy to deliver even greater impact.

2018, 2019 and beyond see the Tax Justice Network focus its policy and research expertise on four strategic areas: financial secrecy, the scale of tax injustice, tax justice and human rights, and the race to the bottom. The next section summarises the progress made in progressing these four workstreams in 2019, and our underlying media and communications outreach work.

Our detailed plans and milestones for each workstream, as well as our monitoring, evaluation and learning approach and our plans for institutional strengthening, are set out in our 2018-2021 strategy.

Main activities in 2019

Financial secrecy

Corporate Tax Haven Index

The Corporate Tax Haven Index was launched in May 2019, covering 64 countries. It immediately received considerable media attention and has generated significant policy and academic traction. In the first two months we recorded a total of 354 media articles, with an estimated total reach of 726,038,500 readers. While the media interest was stronger in Europe (209 hits), we also achieved global reach, with coverage in the Americas (77), Asia (28) and Africa (23), supported by additional media work undertaken by TJN-Africa, who issued a separate press release with a specific African angle.

As outlined above in the Chief Executive's report, the Corporate Tax Haven Index led to some directly observable policy responses and interest among policy makers was substantial. A webinar held for tax administration officials in Latin America was attended by 90 people and various workshops were held on the Corporate Tax Haven Index's methodology and findings, including one in Amsterdam hosted by the Centre for Research on Multinational Corporations (SOMO), one hosted by Maastricht University and the Inter-American Center of Tax Administrations (CIAT) for tax lawyers, and one for European Union policymakers in Brussels related to the dissemination of the research findings of the European Council-funded COFFERS project. We also held an expert seminar in Buenos Aires.

IFF vulnerabilities in Africa

We published a full report on illicit financial flows risks in Africa in August 2019, including individual country risk profiles. We engaged with African tax administration officials on these risk profiles at a workshop at the African Tax Research Network conference in Dakar, and at a similar workshop with 30 tax administration officials from Burkina Faso in Ouagadougou.

On both occasions, tax administration officials of several countries expressed interest in signing a memorandum of understanding with us to develop these analyses with tax micro-data to help them to generate more tax revenues (for example, by allowing them to target corporate tax audits more reliably to uncover and correct instances of corporate tax avoidance, or by renegotiating bilateral tax treaties that were responsible for particularly large revenue losses). We presented the equivalent findings for Latin American countries at a conference of the Inter-American Center of Tax Administrations, attended by Latin American tax officials.

We presented this approach in some depth at the Nigerian Tax Research Network conference in Abuja, which led to the signing of a memorandum of understanding with the Nigerian tax administration in December. We expect this to lead to a concrete collaboration in 2020 to increase Nigeria's corporate tax revenues through the more effective prioritisation of corporate tax audits.

Academic publications

We published several academic research papers in 2019 based on the findings of the Corporate Tax Haven Index, two of which were presented at the African Tax Research Network congress in November in Dakar. Two more articles have been written, one of which is to become a chapter in an Oxford University Press volume, and the other has been submitted to the legal tax journal

'Intertax'; we expect both to be published in 2020.

2020 Financial Secrecy Index

We started work in mid-2019 on developing the 2020 Financial Secrecy Index, which was published in February 2020 and now covers 133 countries, with an expanded set of indicators for each.

The scale of tax injustice

Research

2019 saw the publication of one journal article, three working papers and a book. *Development Policy Review* published our paper on the profit misalignment of US multinationals. There were also a COFFERS working paper on commodity trade mispricing; a Tax Justice Network paper and dataset released on the country and channel level vulnerability to illicit flows of African countries; and a high-profile open access technical paper, published with data and code, using aggregate country by country reporting data for US multinationals to explore the revenue redistribution implications of various tax reform proposals. The latter paper received more than 800 downloads within three months, such has been the interest in the only public research thus far to generate country level findings. Lastly, at the end of the year the UK edition of *The Uncounted* was published by Polity Press (Wiley). This book aims to bring to a wider audience an understanding of the systematic flaws in data on everything from overseas assets to mortality rates of marginalised groups, resulting in continuing failures to appreciate the scale or nature of inequalities that undermine human progress. The US edition

will be published in 2020, as will our open-access Oxford University Press volume on estimating illicit financial flows.

UN Sustainable Development Goals

We continued to provide the key technical input to the UN process around measuring tax-related illicit financial flows, including closely working with the UN Economic Commission for Africa and UNCTAD, as well as public advocacy to ensure the continued inclusion of multinational tax abuse in scope for SDG 16.4. The proposed indicators for SDG 16.4 were approved at the end of the year as tier II, a substantial step towards their eventual inclusion in the full reporting framework.

International tax rules

The advent of a new OECD reform process from January 2019, and its close reflecting of our key criticisms of the previous reform, has led this to be a major focus during the year. In collaboration with ICRIT, and increasingly with the G24 group, we have worked to ensure that options for more comprehensive unitary tax approaches remain on the table, and that global minimum tax approaches are

beneficial rather than restrictive for lower-income countries. We have used our high media profile on these issues to drive home the critique that the OECD secretariat proposals represent a major dilution of ambition, and will deliver little revenue redistribution either from tax havens or towards lower-income countries. While any agreement in 2020 is likely to be limited, we were successful during 2019 in normalising the concepts of unitary taxation and global minimum tax rates, and raising the profile of lower-income countries' continuing disempowerment in these debates. It is increasingly difficult for these tax justice concerns to be dismissed by the OECD or its member states.

Country by country reporting

2019 has seen important progress for country by country reporting. First, the Global Reporting Initiative (GRI) tax standard was

approved and launched, after the most heavily engaged consultation of any GRI standard, including with investors with many trillions of dollars in assets under management. The country by country reporting element of the standard addresses all of the technical flaws of the OECD standard, which is due for review in 2020, and so provides a technical basis for convergence. In addition, the adoption of the standard for future reporting by a number of major multinationals including Vodafone and Shell, and the broad support of investors, is likely to shape policymaker views on the acceptability of mandating public reporting. Lastly, the reliance of many countries and the OECD secretariat on current country by country reporting data, in efforts to project the revenue implications of tax reforms under consideration, has provided a strong impetus in establishing the data as a valuable resource. Our technical engagement with the OECD privately, and with the public debate, has been influential in driving this momentum.

Tax justice and human rights

We have continued to contribute our expertise and research capacity to civil society advocacy networks, and have added to a growing literature on tax justice and human rights. We have explored how the four 'Rs' of tax (revenue, redistribution, repricing and representation) interact with other issues, such as social protections and delivering 'rights' for women workers and their dependents. We have used country-level data from the Corporate Tax Haven Index and the Financial Secrecy Index to construct narratives on the human rights impacts of tax abuse by multinational companies and wealthy individuals respectively.

Publications in 2019 included a briefing paper on tax justice, gender justice and women's rights for country level staff of the Friedrich

Ebert Stiftung and a chapter on tax justice and human rights in a forthcoming book on tax justice and economic inequalities.

In late 2019 we also began preparations for the Beijing Platform for Action +25, a review process led by UN Women to assess progress on the twelve critical areas of gender equality identified in the Beijing Platform for Action in 1995, including women's rights to health, education and economic empowerment. Due to the Covid-19 pandemic this has now been postponed until the early part of 2021. We produced a fact sheet on tax justice and gender equality, and facilitated a workshop at a United Nations Economic Commission for Europe meeting.

We have also continued to work closely with the Global Alliance for Tax Justice's Gender and Tax Working Group, whose objective is the "universal adoption of just and transparent tax policies which end tax injustices and promote substantive gender equality and the realization of women's human rights". Through this group we have been coordinating participation in the 64th session of the Commission on the Status of Women at the United Nations in March 2020, and have proposed a side event on tax and gender that we will co-sponsor and help to design and deliver.

As a member of the Financial Transparency Coalition (FTC), we have led on the introduction of an explicit women's rights and gender equality narrative into our collaborative work, especially in the FTC's intergovernmental advocacy work on illicit financial flows, starting in 2020.

We have continued to work with the Gender and Development Network, the Bretton

Race to the bottom

Following on from the publication of the UK edition of *The Finance Curse* book, Nick Shaxson largely rewrote the book to publish an edition for the US market which was launched in Autumn 2019, with considerable media coverage.

In January 2019, John Christensen gave a speech in Brussels to European parliamentarians in which he warned about the potential dangers of a post-Brexit development strategy - widely referred to as "Singapore-on-Thames" - catalysing a race to the bottom on financial regulation and taxation. This speech generated considerable media coverage throughout the year and was

Woods Project, FemNet and others on the Gender and Macroeconomics Project for the realisation of an enabling macroeconomic policy environment for women's rights and gender equality. We also took part in a meeting of the International Women's Rights Action Watch in Asia Pacific, to help strengthen regional advocacy and research as well as to establish a resource group of women's rights organisations focused on global macroeconomic policies. The workshop identified high-impact policy areas related to gender equality and macroeconomics at the global, regional, and national levels, mapped strategic pressure points for accountability with international financial institutions and national governments, and began to develop a tool for feminist analysis and advocacy for gender equality, including connecting this analysis to the committee review process for the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW).

followed up on by a lecture tour of universities.

March 2019 saw the completion of a fifteen month promotional tour of The Spider's Web film, which has been viewed by millions worldwide. Both John and Nick, in collaboration with film director Leo Hyde, have started work on a new film (with the working title of *The Finance Curse*), which will explore the themes of financialisation and the race to the bottom. By the end of 2019 the film production team had completed over twenty interviews, and had identified the principal characters upon whom the film will be based. John is hoping that funding will be secured for completion of filming and post-

production ready for release in March 2021. Funding is also being sought for extensive

worldwide promotion of the film throughout 2021 and 2022.

Media, communications and events

Launch of Corporate Tax Haven Index

The media response to the Corporate Tax Haven Index launch in January was very positive. It continued to gain significant media coverage for up to six weeks after it launched, over which time it was covered in 354 media articles in 52 countries, with a total circulation of 726,038,500. It was covered in 245 online articles, 44 blogs, 42 broadcast items and 23 print articles.

2019 research conference

Tax Justice Network's annual research conference, this year titled Professional enablers of tax abuse and crime: the role of banks, law firms and accountants, was held in London in July 2019. The conference was a great success, with a variety of speakers from all over the world presenting and discussing papers on a wide range of issues. Papers, videos and presentations from the conference have been published on the webpage above.

2019 virtual conference

We ran a virtual conference, Where next for global taxing rights? Technical and political analyses of the OECD tax reform, in December 2019. As we outlined shortly afterwards, the conference saw an unexpected degree of consensus from participants from the OECD, World Bank, IMF, G24 and others that the "genie was out of the bottle" on global tax reform. The event, attended by 150 people from around the world, was also very successful from a technical standpoint.

Podcasts

In 2019 we launched two new podcasts, alongside our existing podcasts in English (*The Taxcast*), Spanish (*Justicia ImPositiva*) and Arabic (*Taxes Simply*). The first was a podcast in French, targeting Francophone Africa (*Impôts et Justice Sociale*). The second was a podcast in Portuguese, targeting Brazil and Lusophone Africa (*É Da Sua Conta*). We also developed a new website to house all five podcasts, which will be made public in early 2020 at <https://www.thetaxcast.com>.

Website

In 2019 the Tax Justice Network website hosted over 354,000 sessions with over 573,651 pageviews (24 per cent of which viewed our blog). The five most popular blog posts published in 2019 in descending order were:

1. New ranking reveals corporate tax havens behind breakdown of global corporate tax system; toll of UK's tax war exposed
2. Brexit and the future of tax havens
3. One in nine US multinationals fail to comply with tax transparency law
4. BAT shifts nearly \$1bn out of developing countries into one UK office
5. India and the renegotiation of its double tax agreement with Mauritius: an update

Online media

The Tax Justice Network was covered in 1414 global online media articles in 2019 (excluding

affiliates), with a theoretical circulation of 10,613,824,500.

Offline media

The Tax Justice Network was featured in 184 press articles and 306 broadcast pieces from across the world in 2019. While the majority of stories came from the UK and US, our coverage was spread across 91 countries.

Social media

The Tax Justice Network's twitter followers increased by 14 per cent per cent in 2019 to

28,347, with 2,539,964 organic twitter impressions and over 24,000 total engagements, which included over 10,300 link clicks. Our Facebook posts reached over 322,361 users, with over 17,119 engagements and over 7,600 link clicks. Our social media posts on Twitter and Facebook had a combined reach of 2,862,325 in 2019.

Newsletters

We ran 73 email campaigns in 2019, sending out over 111,400 emails, with over 44,233 unique opens and over 7,066 clicks.

Financial review

In 2019 our overall income amounted to £1,540,127 (£1,441,970 from grants, £34,283 from donations and £32,314 from other sources of income) which was a 37% increase on 2018.

This was due to the successful fundraising of additional grants and the expansion of grants already secured. Two thirds of the increase came from restricted grants, with the remaining third coming from additional unrestricted multi-year core support, a large proportion of which is being carried forward for use in 2020 in accordance with the relevant grant agreement. 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

speaker and writing fees and individual donations.

In 2019, we received 495 online donations from 105 individuals, with a total value of £19,604, as well as £289 in cash donations at film screenings and events. 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 2019: Benjamin Chemouni and Alex Cobham (donated consultancy fee).

In 2019 we did not make any grants to other organisations.

We do not employ any dedicated fundraising staff. We estimate that we spend one per cent of our budget on fundraising activities.

Full list of current grants as of 31 December 2019

Note: this list includes grants whose performance period includes some or all of the year 2019. "Value" refers to the total value of the grant over the entire grant period.

<i>Grant</i>	<i>Funder</i>	<i>Value</i>	<i>Starts</i>	<i>Ends</i>
Core funding	Adessium Foundation	€300,000	07/2017	06/2020
Core funding	Open Society Foundations	\$180,000	11/2019	04/2021
Core funding for Tax Justice and Human Rights work	Wallace Global Fund	\$80,000	06/2018	05/2020
Combating Fiscal Fraud and Empowering Regulators (COFFERS)	European Commission	€711,678	11/2016	10/2019
Sustainable Market Actors for Responsible Trade (SMART)	European Commission	€30,000	03/2016	02/2020
Building Institutions and Networks (BUILD)	Ford Foundation	\$2,000,000	01/2018	12/2021
Financial Secrecy and Tax Advocacy in Africa (FASTA)	Norad	NOK7.2m	03/2017	03/2020
Financial Secrecy and Tax Advocacy in Latin America (FASTLA)	Norad	NOK7.5m	12/2018	04/2021
Anticorruption and Integrity: Granular IFF Risk Analysis (GIFFRA)	GIZ	€199,975	06/2019	12/2020
Offshore Financial Secrecy Reform and Corruption Control	University of Sussex	£28,633	01/2019	12/2020
Financial Transparency Coalition 2019	FTC	\$80,000	01/2019	12/2019
Individual fundraising consulting support	Joffe Trust	£7,500	11/2018	4/2019
Tax and Gender Working Group support	Network for Social Change	£5,404	10/2018	4/2019

Our costs increased as expected, and in line with the rise in income once allowing for income related to activity in future periods. Expansion of the staff team from a total employee and contractor base of 18 at the start of the year to 22 at the end of 2019, coupled with the implementation of a new salary banding structure, resulted in staff costs increasing accordingly (£971,999 in 2019, an increase of £220,861 on 2018). Support costs remained relatively stable as a percentage of overall expenditure (16% in 2018; 14% in

2019) and costs of raising funds remained stable in absolute terms.

The closing position of the funds sees £430,450 of restricted funding being carried forward for use by the relevant project activity in 2020. Unrestricted funding saw an in-year net gain of £259,584, in part thanks to a substantial core grant received from Open Society Foundation intended for use against core costs in 2020. Also included in the unrestricted closing balance is £31,560

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. This amount is designated within the carried forward unrestricted funds to provide for a contingent liability in case of repayment in 2020 due to insolvency proceedings against the third party. At the close of 2019 reserves are considered to stand at £485,425 after allowing for restricted and designated funding, which represents 4 months of operational running costs in line with the reserves policy.

At the time of reporting the Covid-19 pandemic is causing huge disruption to economies worldwide. Whilst the funding landscape will almost certainly change in response and as a consequence, Tax Justice Network are confident that with the present confirmed restricted and unrestricted funds the financial impact in the short to medium term will not result in a negative impact on Tax Justice Network's ability to continue operations

Organisational strengthening

Systems, processes and policies

We developed and launched a range of new systems, processes and policies in 2019, including:

- A customer relationship management system (CRM) to track external contacts, opportunities and interactions
- An applicant tracking system to process job applications up to and including hiring
- A performance management system, including annual reviews, learning and development and personal objectives
- An improved HR management system to store employee information securely
- A set of 28 organisational policies, covering everything from travel safety and recruitment to political activities
- A new pay scale and terms and conditions (with a global baseline level of benefits)
- Moving contractors in various countries outside onto employment contracts (some via third parties)
- A new budgeting and financial management system with quarterly management accounts, and a policy of increasing reserves to at least four months of organisational expenditure
- A new platform for hosting virtual conferences, which we piloted successfully in December
- A new website for our podcasts, in five languages, to be launched in early 2020
- Selecting a new accounting firm with non-profit expertise to audit our accounts

Fundraising

In addition to refining systems for managing fundraising prospects, priorities, opportunities

and activities (through the CRM system described above), we developed a new set of

fundraising materials, including a mission and objectives one-pager and an overview of our strategy, as well as a range of specific concept notes covering the four workstreams referenced above, a plan for future work on climate and tax, testimonials and a summary of recent media coverage. We also launched a supporters scheme to encourage individual donors to make regular contributions, informed by a survey of our email subscribers that we had carried out in early 2019.

In 2019, we secured a core grant of \$180,000 from OSF, as well as a renewal of \$40,000 from the Wallace Global Fund towards our work on tax justice and human rights, a renewal of \$80,000 from the Financial Transparency Coalition towards a range of joint projects with other NGOs, a €200,000

grant from GIZ to work on country-specific analysis of vulnerabilities to illicit financial flows that builds on the Financial Secrecy Index, and a £29,000 grant from Sussex University towards a collaboration on an 'Offshore Atlas' of foreign direct investment.

We continued to engage with potential donors directly and indirectly, writing thought leadership articles but also collaborating with others on joint projects (including an ambitious project with ActionAid that will be launched in 2020 if funding is secured). We continue to target US foundations as a particular source of support, as well as foundations and aid donors in Europe, and are planning to run a roundtable for current and potential tax justice donors in NYC in 2020.

Diversity, equality and inclusion

We are continuing to strengthen partnerships across a broad and diverse range of organisations that work on inequalities and rights. In 2019, we supported further activities of the Tax and Gender Working Group of the Global Alliance for Tax Justice, as described above.

We have continued to provide more opportunities to partners across the world to interact with us in different ways. Our new Network and Partner Relations Coordinator is working much more proactively with global partners than we have been able to do in recent years, as described above. Our successful pilot of a virtual conference in December 2019 enabled 150 people from around the world to take part, including many in developing countries.

We took further steps to increase our internal diversity in 2019. Two of the new staff

members hired in 2019 are based in Latin America and in Asia. We published our equality, diversity and inclusion policy (as outlined above), and asked all staff, board members and senior advisers to read and sign it. In 2020, we plan to take some specific practical steps on the basis of this policy, including providing training on recruitment and selection and on some of the specific issues, such as unconscious bias, that can impact on diversity, equity and inclusion during this process. And finally, we moved all of our core staff members who were on freelance contracts (many in low or middle income countries where we are unable to employ people directly) and who wanted to move to employment contracts, onto employment contracts with "host employer" third party organisations in their countries of residence, giving them access to equivalent benefits to our direct employees in Europe, such as parental and sick leave.

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.
- 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 (eg helping to develop or endorsing their policies)
- Resolving any disputes between SMT members that cannot be resolved through dialogue
- 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 remunerated 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 only accept donations from individuals on the basis of no conditionality as to use, and 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. In 2019, the only exception to this was a total of £289 received in cash donations at free screenings of *The Spider's Web* film and at our annual conference. We do not accept donations from organisations holding views that are incompatible with our general ethos.

We do not proactively raise money from members of the general public, with the exception of accepting donations from individuals on our website and encouraging donations from our email subscribers. 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 aim to minimise waste output and recycle as much waste as possible. Emails are not printed unless there is an absolute requirement for a paper record, and electronic filing records take priority over paper filing. We operate virtually and across multiple time zones, with no requirement to travel into a physical office. We encourage the

use of virtual conferencing in preference to travelling for meetings wherever practical, and the use of trains rather than flights where international travel is necessary and where it is possible.

Policies

All staff are required to abide by our code of conduct. We launched a full set of organisational policies in 2019, as outlined above. 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 reduced funding and/or increased staff costs that undermine our ability to achieve our strategic objectives.

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
- 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 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

The directors of the company who held office at the date of approval of this directors report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditors, Godfrey Wilson Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to the small companies regime as set out in Part 15 of the Companies Act 2006.

This report was approved by the Board on 30 June 2020 and signed on its behalf.



John Christensen, Chair

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 2019 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 2019 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

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

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

Other information

The 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.

Independent auditors' report

to the members of

Tax Justice Network

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.

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.

Independent auditors' report

to the members of

Tax Justice Network

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.

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.



Date: 30 June 2020

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 2019

				2019	Restated 2018
	Note	Restricted £	Unrestricted £	Total £	Total £
Income from:					
Donations and legacies	3	919,030	557,223	1,476,253	1,106,602
Other trading activities	4	14,668	15,679	30,347	11,875
Investments		-	1,967	1,967	2,226
Other income	5	-	31,560	31,560	-
Total income		933,698	606,429	1,540,127	1,120,703
Expenditure on:					
Raising funds		-	11,069	11,069	11,738
Charitable activities		1,076,674	286,135	1,362,809	1,075,131
Total expenditure	7	1,076,674	297,204	1,373,878	1,086,869
Net income / (expenditure)		(142,976)	309,225	166,249	33,834
Transfers between funds		49,641	(49,641)	-	-
Net movement in funds	8	(93,335)	259,584	166,249	33,834
Reconciliation of funds:					
Total funds brought forward		523,785	382,998	906,783	872,949
Total funds carried forward		430,450	642,582	1,073,032	906,783

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.

The 2018 comparatives have been restated in line with the Charities SORP (FRS 102). Deferred income relating to grant income has therefore also been reversed in order to accommodate the SORP requirement to recognise grant income on receipt. These restatements are described in note 17 to the accounts.

Tax Justice Network

Balance sheet

As at 31 December 2019

	Note	£	2019 £	2018 £
Fixed assets				
Tangible assets	11		7,832	8,772
Current assets				
Debtors	12	153,303		26,884
Cash at bank and in hand		<u>973,252</u>		<u>959,250</u>
		1,126,555		986,134
Liabilities				
Creditors: amounts falling due within 1 year	13	<u>(61,355)</u>		<u>(88,123)</u>
Net current assets			<u>1,065,200</u>	<u>898,011</u>
Net assets	14		<u><u>1,073,032</u></u>	<u><u>906,783</u></u>
Funds	15			
Restricted funds			430,450	523,785
Unrestricted funds				
Designated funds			157,157	-
General funds			<u>485,425</u>	<u>382,998</u>
Total funds			<u><u>1,073,032</u></u>	<u><u>906,783</u></u>

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 30 June 2020 and signed on their behalf by



John Christensen, Chair

Tax Justice Network

Statement of cash flows

For the year ended 31 December 2019

		2019	Restated 2018
	Note	£	£
Cash used in operating activities:			
Net cash provided by operating activities	16	<u>17,792</u>	<u>32,880</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,757)	(7,161)
Interest from investments		<u>1,967</u>	<u>2,226</u>
Net cash used in investing activities		<u>(3,790)</u>	<u>(4,935)</u>
Increase in cash and cash equivalents in the year		14,002	27,945
Cash and cash equivalents at the beginning of the year		<u>959,250</u>	<u>931,305</u>
Cash and cash equivalents at the end of the year		<u>973,252</u>	<u>959,250</u>

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

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

I. 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 2015) - (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. However, the COVID-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the company. The directors have considered the impact of this issue on the company's current and future financial position. In light of the company's substantial cash balances, unrestricted reserves, and the fact that all employees work remotely, 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.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

c) Income (continued)

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:

	2019	2018
Raising funds	1.0%	1.4%
Charitable activities	99.0%	98.6%

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
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Items of IT and communications equipment, and home office furniture over £75 are capitalised where they are deemed to have an expected useful life of 3 years.

Notes to the financial statements

For the year ended 31 December 2019

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.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

o) Accounting estimates and key judgements (continued)

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 2018 Total
	£	£	£
Income from:			
Donations and legacies	665,630	440,972	1,106,602
Other trading activities	-	11,875	11,875
Investments	-	2,226	2,226
Total income	665,630	455,073	1,120,703
Expenditure on:			
Raising funds	-	11,738	11,738
Charitable activities	810,656	264,475	1,075,131
Total expenditure	810,656	276,213	1,086,869
Net income / (expenditure)	(145,026)	178,860	33,834
Transfers between funds	11,309	(11,309)	-
Net movement in funds	(133,717)	167,551	33,834

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

3. Income from donations and legacies

	Restricted	Unrestricted	2019 Total
	£	£	£
Donations	14,389	19,894	34,283
Grants:			
Ford Foundation	-	387,935	387,935
Norad - FASTLA	255,964	-	255,964
Norad - FASTA	214,329	-	214,329
Open Society Foundations	-	139,253	139,253
GIZ - Anticorruption and Integrity	88,784	-	88,784
Adessium	88,706	-	88,706
ICRICT	73,037	-	73,037
EU - COFFERS	69,278	-	69,278
Financial Transparency Coalition	63,385	-	63,385
Wallace Global Fund	31,667	-	31,667
University of Sussex	14,317	-	14,317
Campaign for Tobacco Free Children	-	10,141	10,141
EU - SMART	5,174	-	5,174
Total income from donations and legacies	919,030	557,223	1,476,253

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Notes to the financial statements

For the year ended 31 December 2019

3. Income from donations and legacies (continued)

Prior period comparative

	Restricted	Unrestricted	Restated 2018 Total
	£	£	£
Donations	-	25,950	25,950
Grants:			
Ford Foundation	-	376,468	376,468
NORAD - FASTA	145,041	-	145,041
NORAD - FASTLA	140,798	-	140,798
Ford Foundation (ICRICT)	91,509	-	91,509
Adessium	88,186	-	88,186
EU - COFFERS	62,374	-	62,374
Financial Transparency Coalition	58,267	-	58,267
Campaign for Tobacco Free Children	-	38,554	38,554
ICRICT	36,147	-	36,147
Wallace Global Fund	30,256	-	30,256
Joffe Charitable Trust	7,500	-	7,500
Other small grants	4,225	-	4,225
Tax Justice Italy	1,327	-	1,327
Total income from donations and legacies	665,630	440,972	1,106,602

4. Income from other trading activities

	Restricted	Unrestricted	2019 Total	2018 Total
	£	£	£	£
Consultancy	14,668	8,285	22,953	8,875
Ticket sales	-	4,394	4,394	-
Other	-	3,000	3,000	3,000
Total income from other trading activities	14,668	15,679	30,347	11,875

All income from other trading activities in the prior period was unrestricted.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

5. Other income

	Restricted	Unrestricted	2019 Total	2018 Total
	£	£	£	£
Legal settlements	-	31,560	31,560	-
Total other income	-	31,560	31,560	-

6. Government grants

The company receives government grants, defined as funding from the Norwegian Agency for Development Cooperation to fund charitable activities. The total value of such grants in the period ending 31 December 2019 was £470,293 (2018: £285,839). There are no unfulfilled conditions or contingencies attaching to these grants in 2019.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

7. Total expenditure

	Raising funds	Charitable activities	Support and governance costs	2019 Total
	£	£	£	£
Staff costs (note 8)	9,041	877,389	85,569	971,999
Research and advocacy	-	112,341	-	112,341
Events	-	45,373	-	45,373
Media outputs	-	79,177	-	79,177
ICRICT direct costs	-	39,045	-	39,045
Audit and accountancy	-	-	14,065	14,065
Bank charges	-	-	3,339	3,339
Depreciation	-	-	5,949	5,949
Insurance	-	-	1,919	1,919
Website and digital marketing	-	-	6,925	6,925
Legal and professional	-	-	7,986	7,986
Light, power and heating	-	-	2,249	2,249
Staff retreats	-	-	4,654	4,654
Office costs	-	3,235	11,931	15,166
Subscriptions	-	9,431	9,511	18,942
Loss on foreign exchange	-	-	44,749	44,749
Sub-total	9,041	1,165,991	198,846	1,373,878
Allocation of support and governance costs	2,028	196,818	(198,846)	-
Total expenditure	11,069	1,362,809	-	1,373,878

Total governance costs were £10,307.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

7. Total expenditure (continued) - prior period comparative

	Raising funds	Charitable activities	Support and governance costs	2018 Total
	£	£	£	£
Staff costs (note 8)	9,333	659,007	82,798	751,138
Research and advocacy	-	135,922	-	135,922
Events	-	35,738	-	35,738
Media outputs	-	30,022	-	30,022
ICRICT direct costs	-	44,597	-	44,597
Audit and accountancy	-	-	6,107	6,107
Bank charges	-	-	2,217	2,217
Depreciation	-	-	7,146	7,146
Insurance	-	-	1,847	1,847
Website and digital marketing	-	-	9,808	9,808
Legal and professional	-	-	14,989	14,989
Light, power and heating	-	-	1,813	1,813
Staff retreats	-	-	31,365	31,365
Office costs	-	-	9,999	9,999
Loss on disposal of fixed assets	-	-	703	703
Subscriptions	-	-	823	823
Loss on foreign exchange	-	-	2,635	2,635
Sub-total	9,333	905,286	172,250	1,086,869
Allocation of support and governance costs	2,405	169,845	(172,250)	-
Total expenditure	11,738	1,075,131	-	1,086,869

Total governance costs were £17,392.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

8. Net movement in funds

This is stated after charging:

	2019	2018
	£	£
Depreciation	5,949	7,146
Loss on disposal of fixed assets	748	703
Directors' remuneration	342,897	299,509
Directors' reimbursed expenses	13,310	7,425
Auditors' remuneration:		
▪ Statutory audit (including VAT)	7,740	6,500

Directors' reimbursed expenses comprise amounts to five directors relating to travel, home office and event expenses (2018: five directors).

9. Staff costs and numbers

Staff costs were as follows:

	2019	2018
	Total	Total
	£	£
Salaries and wages	639,991	513,103
Social security costs	100,048	67,927
Pension costs	63,364	45,709
Freelance staff	168,596	124,399
	971,999	751,138

Three employees earned between £60,000 and £70,000 during the year (2018: one).

The key management personnel of the company comprise the Directors, five of whom are employed as Chief Executive, Director (Race to the Bottom), Director (Financial Secrecy), Director (Human Rights) and Director of Operations. The total employee benefits of the key management personnel were £342,897 (2018: £299,509).

	2019	2018
	No.	No.
Average head count	15.00	13.00

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Notes to the financial statements

For the year ended 31 December 2019

10. Taxation

	2019 £	2018 £
UK corporation tax at current rate based on results for the period	-	-
Factors affecting current tax charge:		
Profit / (loss) on ordinary activities by rate of tax	25,591	6,428
Deduct surplus on non-taxable income	(25,591)	(6,428)
Total current tax charge	-	-

11. Tangible fixed assets

	Computer Total £
Cost	
At 1 January 2019	20,325
Additions in year	5,757
Disposals	(1,632)
At 31 December 2019	24,450
Depreciation	
At 1 January 2019	11,553
Charge for the year	5,949
On disposals	(884)
At 31 December 2019	16,618
Net book value	
At 31 December 2019	7,832
At 31 December 2018	8,772

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

12. Debtors

	2019	2018
	£	£
Trade debtors	29,205	12,777
Prepayments	17,228	13,333
Accrued income	106,870	774
	<u>153,303</u>	<u>26,884</u>

13. Creditors : amounts due within 1 year

	2019	Restated 2018
	£	£
Trade creditors	14,415	34,185
Taxation and social security	19,227	14,159
Accruals	27,713	28,963
Deferred income	-	10,816
	<u>61,355</u>	<u>88,123</u>

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Notes to the financial statements

For the year ended 31 December 2019

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	7,832	7,832
Current assets	430,450	157,157	538,948	1,126,555
Current liabilities	-	-	(61,355)	(61,355)
Net assets at 31 December 2019	430,450	157,157	485,425	1,073,032
Prior period comparative				
	Restricted funds £	Designated funds	General funds £	Total funds £
Tangible fixed assets	-	-	8,772	8,772
Current assets	523,785	-	462,349	986,134
Current liabilities	-	-	(88,123)	(88,123)
Net assets at 31 December 2018	523,785	-	382,998	906,783

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

15. Movements in funds

	Restated at 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2019 £
Restricted funds					
Norad - FASTA	162,900	214,329	(278,259)	27,763	126,733
Norad - FASTLA	83,514	255,964	(232,185)	21,878	129,171
Adessium	30,508	88,707	(101,748)	-	17,467
Financial Transparency Coalition	3,077	63,385	(56,860)	-	9,602
EU - SMART	(4,014)	5,174	(2,000)	-	(840)
EU - COFFERS	139,147	69,278	(207,139)	-	1,286
Wallace Global Fund	18,587	31,667	(33,817)	-	16,437
University of Sussex	-	14,317	(14,317)	-	-
R H Southern Trust	40,025	-	(5,074)	-	34,951
GIZ - Anticorruption and Integrity	-	88,784	(19,474)	-	69,310
Small grants	12,567	-	(12,567)	-	-
ICRICT	36,147	93,629	(104,133)	-	25,643
Tax Justice Italy	1,327	-	(637)	-	690
The State of Tax Justice	-	8,464	(8,464)	-	-
Total restricted funds	523,785	933,698	(1,076,674)	49,641	430,450
Unrestricted funds					
<i>Designated funds:</i>					
Open Society Foundations core grant	-	-	-	125,597	125,597
Exceptional item	-	-	-	31,560	31,560
<i>Total designated funds</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>157,157</i>	<i>157,157</i>
General funds	382,998	606,429	(297,204)	(206,798)	485,425
Total unrestricted funds	382,998	606,429	(297,204)	(49,641)	642,582
Total funds	906,783	1,540,127	(1,373,878)	-	1,073,032

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

15. Movements in funds (continued)

Purposes of restricted funds

Norad - FASTA	"Financial Secrecy and Tax Advocacy in Africa" project.
Norad - FASTLA	"Financial Secrecy and Tax Advocacy in Latin America" project.
Adessium	Core funding, provided for "Countering tax avoidance in the EU".
Financial Transparency Coalition	2019 work plans focusing on beneficial ownership, asset registries and automatic exchange of information.
EU - SMART	European Commission: "Sustainable Market Actors for Responsible Trade" project.
EU - COFFERS	European Commission: "Combatting Fiscal Fraud and Empowering Regulators" project.
Wallace Global Fund	Core funding for Tax Justice and Human Rights work.
University of Sussex	"Does Transparency bring Cleanliness? Offshore Financial Secrecy Reform and Corruption" project.
R H Southern Trust	Research relating to country by country reporting.
GIZ - Anticorruption and Integrity	"Anticorruption and Integrity: Granular IFF Risk Analysis (GIFFRA)" project.
Small grants	Various small grants.
ICRICT	Independent Commission for the Reform of International Corporate Taxation: Tax Justice Network act as fiscal hosts for the Commission.
Tax Justice Italy	Seed funding for use to support the set up of a tax justice organisation in Italy.
The State of Tax Justice	Annual report on the global landscape of the tax justice movement as a whole.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

15. Movements in funds (continued)

Purposes of designated funds

Open Society Foundations core grant To carry forward a core funding grant received for the period 1 November 2019 to 30 April 2021, for use against core costs in 2020.

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.

Prior period comparative (restated)

	Restated at 1 January 2018 £	Income £	Expenditure £	Transfers between funds £	Restated at 31 December 2018 £
Restricted funds					
Norad - FASTA	214,328	145,041	(205,168)	8,699	162,900
Norad - FASTLA	-	140,798	(59,894)	2,610	83,514
Adessium	65,252	88,186	(122,930)	-	30,508
Financial Transparency Coalition	28,305	58,267	(83,495)	-	3,077
EU - SMART	3,106	-	(7,120)	-	(4,014)
EU - COFFERS	255,171	62,374	(178,398)	-	139,147
Wallace Global Fund	-	30,256	(11,669)	-	18,587
R H Southern Trust	40,025	-	-	-	40,025
Small grants	12,508	4,225	(4,166)	-	12,567
ICRICT	20,375	127,656	(111,884)	-	36,147
Tax Justice Italy	-	1,327	-	-	1,327
Joffe Charitable Trust	-	7,500	(7,500)	-	-
Oxfam NOVIB	11,371	-	(11,371)	-	-
Open Knowledge	7,061	-	(7,061)	-	-
Total restricted funds	657,502	665,630	(810,656)	11,309	523,785
Unrestricted funds					
General funds	215,447	455,073	(276,213)	(11,309)	382,998
Total unrestricted funds	215,447	455,073	(276,213)	(11,309)	382,998
Total funds	872,949	1,120,703	(1,086,869)	-	906,783

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2019	Restated 2018
	£	£
Net movement in funds	166,249	33,834
Adjustments for:		
Depreciation charges	5,949	7,146
Interest from investments	(1,967)	(2,226)
Loss on the sale of fixed assets	748	703
Increase in debtors	(126,419)	(23,086)
Increase / (decrease) in creditors	(26,768)	16,509
Net cash provided by operating activities	17,792	32,880

17. Related party transactions

During the year, Charles Abugre, director, was contracted to provide specialist consultancy in Ghana, under the GIFFRA project (GIZ funding). The total contract value is €5,000, €2,500 of which was paid out in 2019 (2018: £nil).

During the year, donations of £7,617 were made to the company by two directors (2018: £13,934 by two directors). There were no other related party transactions in the current or prior year.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

18. Prior period restatement

The prior period has been restated in several respects to bring the accounts into accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice ('SORP')

Deferred income

An adjustment has been made to reverse income deferred in prior periods, in order to satisfy the SORP requirement that grant income is recognised on receipt and not deferred. This has had the following affect:

	£
Total deferred income per original accounts:	558,169
Reversal of grant income in 2018:	<u>(547,353)</u>
Total deferred income after restatement (comprise correctly deferred contract income only):	<u>10,816</u>

Funds carried forward

Due to the reversal of deferred income balances in periods prior to 2018, the carried forward fund balances have also been restated, as follows:

	2018 £	2017 £
Total funds carried forward per original accounts:	359,425	206,229
Income recognised in periods prior to 2018 in order to reverse deferrals:	666,720	666,720
Net effect of reversal of deferred income in 2018:	<u>(119,362)</u>	<u>-</u>
Total funds carried forward after restatement:	<u>906,783</u>	<u>872,949</u>

Income

Total income recognised in 2018 has therefore been affected as follows:

	2018 £
Total grant income recognised per original accounts:	1,240,070
Add reversal of grant income for 2018:	547,353
Less amounts recognised in a previous period:	<u>(666,720)</u>
Total income after restatement:	<u>1,120,703</u>

Net expenditure has not been affected, though reclassifications within expenditure have been made in order to more comprehensively describe the company's activities.

Other than the reduction in deferred income, there has been no changes to the values of assets and liabilities.

Tax Justice Network

Notes to the financial statements

For the year ended 31 December 2019

19. Contingent liabilities

In November 2019, a longstanding legal case was settled in favour of Tax Justice Network. In June 2020, Tax Justice Network were notified that attempts to recover these amounts had been successful. This amount has therefore been recognised in the accounts as other income. However, legal representatives have indicated that the amount may become repayable in the event of insolvency proceedings being triggered against the individual involved. This amount is therefore disclosed as a contingent liability.