

# Annual Report 2020

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# ADMINISTRATIVE INFORMATION

**Company type** Tax Justice Network is a UK-registered private company limited by guarantee without share capital, using the 'Limited' exemption (a non-profit company)

**Company number** 05327824

**Registered office** c/o Godfrey Wilson Ltd, 5th Floor, Mariner House, 62 Prince St, Bristol BS14QD

**Directors** Charles Abugre (resigned 03 November 2020)  
John Christensen (resigned 02 August 2021)  
Alex Cobham  
Cathy Cross  
Sioned Jones (appointed 03 November 2020)  
Kathleen Lahey  
Krishen Mehta  
Markus Meinzer  
Yamini Mishra  
Elizabeth Nelson  
William Snell (resigned 13 March 2020)

**Chief Executive** Alex Cobham

**Secretary** Sioned Jones

**Bankers** Cooperative Bank Plc | 1 Balloon Street, Manchester M60 4EP  
Metro Bank | One Southampton Row, London WC1B 5HA  
Triodos Bank | Deanery Road, Bristol BS1 5AS  
Deutsche Bank | Biegenstrasse 2, 35037 Marburg, Germany  
Santander | Paseo de la Castellana, 24, 28046, Madrid

**Auditors** Godfrey Wilson Ltd | 5th Floor, Mariner House, 62 Prince St, Bristol BS1 4QD

**Solicitors** Stone King LLP | 13 Queen Square, Bath BA1 2HJ

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ending 31 December 2020. Administrative information on this page forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the relevant accounting standards.

# CHIEF EXECUTIVE'S REPORT

The year 2020 was marked by the onset of the global COVID-19 pandemic, which remains the defining feature of world events as the current report is being prepared in 2021. For the Tax Justice Network, this terrible context has however seen a continued strengthening of the organisation itself and of our impact.

## **Professionalisation, organisational resilience and network strengthening**

In keeping with our post-2016 strategy, we continued in 2020 to emphasise organisational resilience and network relations. With a growing team in multiple countries and regions of the world, we were fortunate that one of our two scheduled in-person team meetings fell in February 2020, in what was to be the last such opportunity to date. We bid a fond farewell to Will Snell, who as director of operations had played a major role in developing and implementing professional policies and standards including with respect to fundraising, finances and to our role as an employer. We were delighted to be able to recruit a replacement at the highest level, with Sioned Jones joining from her role as chief executive at The Circle, a women's rights NGO.

More broadly, the team continued to grow with new funders and funding including from Public Services International, GIZ and the Wallace Global Fund. We continued as a result also to build up the financial sustainability of the organisation. A central concern for the Tax Justice Network during this period has been

for the wellbeing of our team and partners. The pandemic posed and continues to pose serious risks, including not only the direct health threats but also the mental stresses and physical challenges of the 'lockdown' interventions of various forms in different countries and at different times, coupled with the social dislocation and overall uncertainty. While we have the advantage of always having worked remotely, and with a well-established technical platform and ways of working across borders, timezones and cultures, this has undoubtedly been a highly challenging time. We are proud of the team's response and the organisation, and the support and care given to one another and to others. We continue in 2021 to seek ways to better support and care for each other, as the pandemic and its challenges continue.

As the pandemic grew and mutated during 2020, bringing its terrible impacts to one country and one region of the world and then the next, an important focus was to continue to strengthen network relationships. A major component of this approach was the launch of the inaugural State of Tax Justice report. The State of Tax Justice 2020 was co-published with the Global Alliance for Tax Justice (GATJ), and with Public Services International (PSI) in partnership with Freidrich Ebert Stiftung and supported by Norad and the European Union. PSI is one of seven global union federations, and of those has the lead on tax issues, so this collaboration reflects an important strengthening of the collaboration

between the tax justice movement and global labour. GATJ is the umbrella body for mass mobilisation organisations working on tax justice, which spun out of the Tax Justice Network in 2013 as differences of approach emerged. The State of Tax Justice represents the first major collaboration between the two organisations since, pointing the way to warm future relationships and a stronger movement overall.

## **Responsive advocacy and policy development**

The pandemic initiated powerful political dynamics to which the Tax Justice Network was well placed to respond, albeit tempered with caution about acting opportunistically. With the early impacts harshest in Europe, beginning with Italy, much of the early contestation was around appropriate solidarity between countries. With the Netherlands taking the most aggressive position against fiscal support to more exposed countries, on the basis of their supposed lack of responsibility, we were able to make a series of media interventions highlighting the much greater irresponsibility of the Netherlands' own anti-social behaviour as a corporate tax haven, exploiting its position within the EU to undermine the revenue of its neighbours. Such was the coverage of these interventions that we believe they contributed not only to a less unfair immediate outcome, but also set the stage for stronger EU measures on corporate tax and COVID bailout conditions, and in addition supported a growing political debate within the Netherlands about the country's own behaviour as a tax haven.

Much of this success rested, of course, on the international communications platform that the Tax Justice Network has built up over the years. The launch of the Financial Secrecy Index 2020 in February had provided what was then our record media coverage for a research output (2.02 billion in global media reach in the first week). In addition to the coverage and public policy leverage provided by the index and its alternate-year counterpart, the Corporate Tax Haven Index, they offer the technical basis for detailed work with partners and national authorities to address the greatest vulnerabilities faced by particular countries – providing the basis for specific policy prioritisation as well as driving overall media, public and policymaker attention.

We developed and promoted a set of specifically pandemic-responsive policy measures in 2020 that gained considerable traction in national and international debates. These included measures to require tax behaviour (starting with full transparency) from companies receiving public funds; and then progressive tax measures including excess profits taxes on the companies such as Amazon that made large unearned rents from the public health interventions including 'lockdowns'; and wealth taxes on the richest who benefited at a personal level.

These proposals responded to political dynamics that recognised the extent to which the pandemic had laid bare and exacerbated deep, existing inequalities; and to public concerns over the fair and transparent use of public funds at a time of crisis. While they made varying progress in different national and regional contexts, the overall

effect was relatively consistent: to bolster the momentum, and to extend and widen the political window, for these and related measures on transparency and progressive taxation. Looking ahead, this provided the context for changes in 2021 such as the EU adoption of public country-by-country reporting for multinationals; and the Biden administration's sweeping, progressive tax reform agenda (and its international spillover into the OECD reforms).

### Longer-term progress

Those OECD reforms were one of three major international processes ongoing with respect to tax justice during 2020; the other two being based instead at the globally inclusive United Nations. The OECD reforms had begun in January 2019, with the 'Inclusive Framework' of more than 130 jurisdictions in theory guiding the secretariat towards their chosen reforms of the international tax rules for multinational companies. The G24 intergovernmental group of lower-income countries had provided one of the three proposals at the outset for 'Pillar 1', which was intended to go beyond the arm's length principle and introduce a unitary approach to reduce the ease of profit shifting. 'Pillar 2' would introduce a global minimum tax rate to reduce the incentive for profit shifting.

It was already clear by 2020, however, that bilateral US-French negotiations were driving the outcome. With little progress and made, the impending US elections then became a complete block to agreement. The Tax Justice Network and our allies, including in the BEPS Monitoring Group and ICRICT,

continued to provide the main alternative analysis of proposals. Our work on Pillar 1 had already showed the drop off in ambition of the proposal and the shift towards greater inequality facing lower-income countries. We began also to develop and share analysis of the potential for a revised Pillar 2 to reintroduce some of that ambition into the global minimum tax rate, which would garner increasing attention as the discussions restarted in 2021.

The two UN processes were both broader and more genuinely inclusive. First, the Nigerian and Norwegian chairs of the UN General Assembly and of ECOSOC initiated in March 2020 the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (the FACTI panel). The Tax Justice Network had long supported such an initiative, and worked with various parties to encourage an ambitious approach. The panel set out with such an aim, looking to review the entire global financial architecture with respect to tax justice and illicit financial flows, and to make substantive proposals for progressive and effective reforms. Over the course of the year, we engaged consistently and our work and proposals are cited repeatedly in the background reports and progress updates of the panel, in advance of the final report (a powerful turning point when subsequently delivered in February 2021).

The other UN process was the Secretary-General's Initiative on Financing for Development in the Era of COVID-19 and Beyond, led by Jamaica and Canada. Here too, as invited participants in the combined intergovernmental and expert



discussions, we were able to promote key tax justice proposals. Recommendations for ministers of finance and heads of state to consider included the idea for a UN tax convention, to ensure countries at all per capita income levels participate in the benefits of tax transparency, and to provide the basis for globally inclusive negotiations of international tax rules in future.

Along with wealth taxes and pandemic excess profits taxes, a UN tax convention was a central recommendation of our inaugural State of Tax Justice report, launched in November 2020. The broader media reach statistics are presented below, but the specifics of the UN convention tell a particular story. In the seven months before the launch of the State of Tax Justice 2020, the term “UN tax convention” had an average monthly media reach of 348,000. In the launch month, the term gained a reach of 1.7 billion. 83 per cent of stories published with the term “UN tax convention” in November 2020 reference the Tax Justice Network, almost all of which were about the State of Tax Justice 2020. From April 2020 to August 2021, half of all media reach for the term “UN tax convention” included reference to the Tax Justice Network.

### **Deepening and sharpening our analysis of inequalities**

The deep inequalities laid bare by the pandemic – both within and between countries – provided a catalyst for greater public engagement. The State of Tax Justice 2020 pinpointed the discrepancies in resources available for public health systems on

countries at different income levels, which in turn drives unequal outcomes between richer and poorer households. The report’s main finding is that the revenues lost to international tax abuse worldwide sum to the equivalent of one nurse’s annual salary every second; and that those losses represent a disproportionately high share of current tax revenues for lower-income countries, where the need for greater public health investment tends to be greatest.

In high-income countries including former colonisers and settler states alike, the Black Lives Matter movement has raised up issues of racialisation and the related inequalities, and of the imperial histories underpinning these. Our annual conference in 2020 addressed these historical patterns, and their underpinning of current inequalities and tax abuse alike. The event was held online, following a successful pre-pandemic remote conference in 2019 which confirmed both the Tax Justice Network’s ability to attract and convene high-level global participants, and the value of such an approach in generating much wider access than a traditional in-person event. In collaboration with leading scholars Prof. Gurminder Bhambra and Dr Julia McClure, and bringing together the co-authors of their forthcoming edited volume and a range of keynote speakers, the conference ‘Imperial inequalities: states, empires, taxation and reparations’ marked an important moment in the development of tax justice thinking.

A deeper understanding of the imperial context of present-day global inequalities in taxing rights (and in many other dimensions) is fundamental to ensuring that our



work does not just address immediate technical issues, but shifts the underlying narratives and policy structures. The absence of such understanding, for example, could lead someone to believe that the OECD club of rich countries would be capable of enacting the technical rule changes necessary to address the inequalities in taxing rights that face lower-income countries, once and for all. But that would be to ignore the politics which determine the changes that are possible. The former imperial powers not only set the international tax rules but are the headquarters to most major multinationals. Former colonies lose out disproportionately to the latter's tax abuse. Tax justice campaigners can engage with OECD processes and seek to improve the outcomes – but tax justice will not be delivered by an unjust power structure built on the legacies of empire.

As Prof Bhambra puts it, there is no such thing as a developing country. There are countries that have been made poor by being colonised and having their wealth extracted; and others that have grown rich by colonisation. Those same inequalities between countries also now determine in large part their ability

to cope with the climate crisis; and extend to inequalities between current and future generations. Our other conference of 2020 addressed these issues, and considering the scope for tax justice measures to offer technical and political solutions to the growing global crisis.

Through all of this work runs the central importance of human rights, and the understanding of the role of tax in providing the 4 Rs: revenue to fund inclusive public services; redistribution to address inequalities; re-pricing to address the social costs of private behaviours from tobacco consumption to carbon emission; and political representation, since tax is the glue that holds the social contract together, and it is reliance on tax revenues that ensures governments remain accountable and representative.

The year 2020 was one of enormous challenges for the world, including for the Tax Justice Network and partners – but together we have been able to make broad progress towards the goal of tax justice, and we are grateful for all those who work with us and support us in this aim. Thank you.



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Alex Cobham  
Chief Executive, Tax Justice Network

## OBJECTIVES

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

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

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

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

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

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

taxation, and restrict the power of capital to dictate tax policy solely in its own interest;

3. To restore similar tax treatment of different forms of income, and reverse the shifting of the tax burden onto ordinary citizens;
4. To remove the tax and secrecy incentives that encourage the outward flow of investment capital from countries most in need of economic development;
5. To promote research into and education on the ways in which tax and related regulation and legislation can be used to promote development, encourage citizenship and relieve poverty within the context of local, national and international economies and societies;
6. The pursuit of such charitable purposes in connection with any of the above objects which the directors, in their discretion, see fit; and
7. Any and all such other purposes in areas related to the above objects which the directors, in their discretion, see fit.

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

## 2018-2021 STRATEGY AND BEYOND

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 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.

By the end of this strategic period, 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 is the deepening of our role at the heart of the tax justice movement, and the multiple overlapping networks that it contains; the further development powerful communications; and the

creation of a high-level influencing strategy to deliver even greater impact.

As our existing strategy comes to a close we are beginning to review while developing the new one. Many of the central pieces of our approach are already clear though, among them: global campaigning, in partnership; global communications and media reach; technical excellence; high-level advocacy; built upon financial resilience and robust governance.

Thematically, we will continue to build upon the outline of issues that John Christensen and colleagues began expertly to develop in the early 2000s, and of which we have since solidified key elements and increasingly taken them further.

On the corporate tax side, we now have a clear position towards unitary taxation with formulary apportionment, backed by a fair global minimum effective tax rate. The global architectural requirements include a UN tax convention, setting the basis for intergovernmental negotiations under UN auspices, and a UN centre for monitoring taxing rights; and the continuing development, with our partners at ICRICT, of the arguments and technical basis for a global asset register, in turn supporting the case for wealth taxes.

We will continue to extend the analysis of tax justice in a range of areas. We're likely to pay greater attention to the pressing threat of the climate crisis, to the extent that we can make clear contributions

without duplicating the efforts of others. We may put more emphasis on the role of tax collection, recognising the political threats to tax authorities and the regressive impact of cuts; and on the continuing scale, opacity and ineffectiveness of tax expenditures. And we're likely to address some important questions of race and reparations, from a tax perspective.

Perhaps more important than individual areas is the overarching aim – which will be to approach tax justice as a feminist issue.

Adding specificity to this, to ensure it too is more than a slogan, will be key. We are now clear that we must take a rights-based approach in all our work, and one that challenges intersectional inequalities head-on.

That includes reflecting on the many processes of racialisation and minoritisation embedded in the legacies of imperial capitalism on which so much of our current inequalities rest – and without an understanding of which, any tax 'justice' can be superficial at best. This understanding must continue to lead our own behaviours and operations, not only to inform our analyses – from Tax Justice Network's engagements in the wider movement, to our internal processes and interaction.

Feminist leadership isn't built on rigid hierarchies, or dictating plans. Caring for others, dismantling bias and the sharing of power are among the central principles that Tax Justice Network will strive to meet.

## MAIN ACTIVITIES IN 2020

Through our current strategy we have been focussing our 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 2020, and our underlying media and communications outreach work.

### Financial secrecy

#### *Financial Secrecy Index*

The Financial Secrecy Index ranks each country based on how intensely the country's legal and financial system allows wealthy individuals and criminals to hide and launder money extracted from around the world. A higher rank on the index does not necessarily mean a jurisdiction is more secretive, but rather that the jurisdiction plays a bigger role globally in enabling secretive banking, anonymous shell company ownership, anonymous real estate ownership or other forms of financial secrecy, which in turn enable money laundering, tax evasion and huge offshore concentrations of untaxed wealth. A highly secretive jurisdiction that provides little to no financial services to non-residents, like Samoa (ranked 86th), will rank below a moderately secretive jurisdiction that is a major world player, like Japan (ranked 7th). The aim is not to penalise jurisdictions with greater scale, but simply to recognise that their secrecy poses greater risks – and so it is more important that they behave responsibly. The Financial Secrecy Index 2020 was published in February and now covers 133 countries. It broke every record we track on the reach and media impact of our indices. First published in 2009, the global coverage of this year's edition of the index reflects a

growing urgency shared by people around the world to expose and reign in rampant tax abuse by the ultra-rich and powerful.

Working with Tax Justice Network Africa we produced and published "[Beneficial ownership transparency in Africa: the state of play in 2020](#)" which examines the state of beneficial ownership transparency in Africa today. It comparatively assesses the registration and disclosure requirements for the ownership of legal vehicles, including companies, partnerships, trusts and private foundations, across 17 African countries as of April 2020, drawing on the data of the 2020 edition of the Tax Justice Network's Financial Secrecy Index and supplementary research of beneficial ownership legislation introduced after the publication of the index in February 2020.

We presented on beneficial ownership, verification, and the role of complexity to over 200 officials from banks and insurance companies in the Latin American region. The event was related to the Beneficial Ownership pilot programs we are running with several countries, including Zambia, Costa Rica, and Argentina.

## *Illicit Financial Flows Tracker*

Illicit financial flows (IFF) are transfers of money from one country to another that are forbidden by law, rules or custom. They damage economies, societies, public finances and governance of countries around the globe.

A key challenge to tackling illicit financial flows is the difficulty countries face in identifying which financial flows carry the largest risk to their economies. In June 2020 we launched the Illicit Financial Flows Vulnerability Tracker to help countries identify the trading partners and channels that pose the greatest risks to their economies.

Our previous research identified the eight main channels in which illicit financial flows take place: trade (exports and imports), banking positions (claims and liabilities), foreign direct investment (outward and inward) and portfolio investment (outward and inward). For each of the eight different channels through which illicit financial flows operate, we calculated three measures – Exposure, Intensity and Vulnerability.

The interactive map in the tracker allows users to understand which countries and regions are more vulnerable to illicit financial flows. The country profile pages provide a detailed breakdown of the 10 trading partners that are most responsible for a country's vulnerability, intensity or exposure to IFFs for a given channel.

## *Working with National Authorities*

We worked closely with the Nigerian Federal Inland Revenue Service (FIRS), after signing a memorandum of understanding last year, to share microdata in order to present a new risk assessment approach for tax audits of multinational companies. FIRS is currently using the Tax Justice Network's methodology in its audit process and this project will continue doing so in close collaboration with us. Building on from this approach we have begun working with authorities in the Western Balkans in understanding the geographic risks to Illicit Financial Flows and making recommendations on areas of focus to further understand and minimise the risks.

Zambia has been participating in a pilot project on beneficial ownership with the Tax Justice Network and a group of partners. Zambia has agreed to create a registry and is using our Beneficial Ownership verification paper to inform their new policy with guidance from Andres Knobel, our lead researcher on Beneficial Ownership.

## *2021 Corporate Tax Haven Index*

We started work in mid-2020 on developing the 2021 Corporate Tax Haven Index, which was published in March 2021.

## The scale of tax injustice

### *State of Tax Justice Report*

In November we launched the inaugural edition of the State of Tax Justice (SOTJ) report which will continue as an annual statement of 'how things are'. The report publishes the annual data and estimates, at country level, of revenue losses of profit shifting by multi-national corporations, and revenue losses through tax evasion through undeclared offshore assets, as well as data from our indexes and Illicit Financial Flow portal. This first year had a pandemic thematic focus and included a policy package on tax responses to the pandemic, including a UN Tax Convention, Wealth Tax and Excess Profits Tax with the idea that organisations can use these in their own national context. It was launched, in four languages, through a series of events at country, regional and global level, and gave a platform and media moments for many tax justice affiliates in different countries. The report was covered in 60 countries and in 24 languages with an estimated reach of 8 billion, which is more than any other single publication we have made.

### *UN Sustainable Development Goals and International tax rules*

The UN High-Level Panel on International Financial Accountability, Transparency and Integrity (the FACTI panel) was launched in March 2020 to study the impact of tax abuse, money laundering and illicit financial flows on the ability of states to meet the UN's Sustainable Development Goals by 2030.

The FACTI panel's final report published in February 2021 represents a year's worth of detailed analysis and engagement with UN member states in every global region. From the perspective of two decades of struggle by the tax justice movement, the recommendations are nothing short of remarkable.

The report calls for powerful, specific policies to be implemented, in respect of both tax transparency and international tax rules. It also envisages sweeping reforms to the global architecture. In each area, a raft of tax justice proposals are adopted.

Considering first the "ABC's of tax transparency". This is the suite of policy measures that the Tax Justice Network proposed shortly after our formal establishment in 2003, each of which was first dismissed as utopian and unrealistic by policymakers and OECD officials.

A is for the automatic exchange of information, delivered through a multilateral instrument to ensure that tax authorities are aware of their tax residents' offshore financial accounts. This was adopted by the OECD in the Common Reporting Standard, which now covers all major financial centres except the United States, but excludes most lower-income countries from effective access to information.

B is for beneficial ownership transparency, and specifically, the creation of public registers of the ultimate warm-blooded human beings who own companies, trusts and foundations. Around 80

countries now have registers for companies at least.

C is for country by country reporting by multinational companies, to show the extent and nature of profit shifting.

The G20 directed the OECD to develop a standard in 2013, which was finalised in 2015 and follows closely the original proposals of the tax justice movement – but under heavy lobbying introduced various technical weaknesses and an extreme turnover threshold, and critically did not allow for the data to be made public.

The FACTI panel identifies each of the ABC as crucial policy tools for the fight against tax abuse and illicit finance. In each, the recommendation is close to the full demand of the movement: to end the exclusion of lower-income countries from automatic information exchange; to establish central registers of beneficial ownership for all legal entities, and ‘encourage’ at least that these be made public; and to require all multinationals to publish country by country reporting.

Turning to international corporate tax rules, the tax justice movement has long called for two measures to end profit shifting and the race to the bottom on tax rates. The first of these is unitary taxation: the taxation of multinationals on the basis of their global group profits, apportioned as tax base between the countries where their real economic activity (sales and employment) takes place. This is the antidote to the current, failing system which relies on the economically illogical “arm’s length principle” to ensure

that entities within the same multinational group each end up with an appropriate amount of taxable profit – despite the obvious incentives to shift profits to where tax will be low or zero.

The second measure is the introduction of a global minimum tax rate – to end the provision of precisely those low and zero effective tax rates which provide the incentive for profit shifting.

The latest OECD reform process has finally embraced both of these ideas in theory. In practice, however, the process had stalled entirely (before the 2021 interventions of the Biden administration), with the secretariat’s proposals seen as highly complex and unlikely to deliver any significant revenue increase. Most profits would still be allocated under the arm’s length principle, and the proposed minimum tax approach would do little for the lower-income countries that host most multinational activity.

Indeed, lower-income countries are projected to continue to suffer disproportionately higher losses as a share of current revenues – but even OECD member countries would gain little.

Here, the FACTI panel has embraced in full the tax justice proposals, and call for multinationals to be taxed on a unitary basis and subject to a global minimum corporate tax.

And this is the context for the third major element of the FACTI panel’s recommendations, and where the turf battle begins in earnest. The report calls for a set of reforms to the global architecture, and they have one thing in common: they take



power away from the OECD and related institutions, and seat it instead at globally inclusive institutions.

The central element is the creation of a UN tax convention, to be negotiated on an inclusive basis and to set rigorous standards for the global exchange of information and for tax cooperation. Second is the establishment of an intergovernmental body under UN

auspices, to oversee the setting of international tax rules. And while these have long been advocated by the tax justice movement, the third is a relatively new proposal: a Centre for Monitoring Tax Rights, first proposed in 2019 (in Alex Cobham's book *The Uncounted*), to collate, analyse and publish data on the extent of international tax abuse affecting (and facilitated by) each individual country and jurisdiction.

## **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.

2020 marked a new phase in our contribution to the Financial Transparency Coalition, establishing a further emphasis in the tax and financial transparency research and advocacy which framed issues through a human rights lens. As a result, publications in 2020 included a report for the Committee of the Convention on the Elimination of Discrimination Against Women (CEDAW) on Panama with support from the Financial Transparency Coalition. In addition, the Instituto Justica Fiscal joined us to submit a report to the CEDAW Committee on Brazil. The reports highlight the linkages between regressive tax policies, financial secrecy laws and the resulting discrimination against women and girls, especially the failures to design policies that established an intersectional approach that address the needs of black, brown and indigenous women

and girls. Together the reports, in the context of Covid-19 focus on issues such as sexual violence, social protections, the inequities of precarious and low paid work, and the increased burden put upon women to provide additional care services. We collaborated with Christian Aid-Ireland on a shadow report on the rights of the child in respect of Ireland and the spill over impact in low income countries. We also co-authored a briefing with the Center for Economics and Social Rights on the tax justice response to Covid-19.

We continue to work closely with the Global Alliance for Tax Justice (GATJ). They are a significant partner to our State of Tax Justice Report (see below) and we support GATJ's Tax and Gender Working Group in a range of strategic initiatives including advocacy at the United Nations Commission on the Status of Women (UNCSW), IMF and World Bank Spring Meetings and Annual meetings, and offer input to Financing for Development outcome documents on tax and financial secrecy as part of a

broad examination of the advancement of human rights and substantive gender equality.

Work also continued on our foundational report on Tax Justice and Human Rights: The 4 Rs and the

realisation of rights (launched in July 2021) and in our collaboration with the Government Revenue and Development Estimations (GRADE) research project developed valuable analysis for the report.

## **Race to the bottom**

Work on the Finance curse film was paused due to the Covid pandemic but plans are in place to restart this in 2021. We published two editions of Tax Justice Focus, one with a focus on Climate, which was followed up with a 2-day conference in December 2020 where we convened academics, policy makers, civil society and activists to move the tax justice issue up the environmental agenda. We also began talking across a wide

community, looking at financialisation, monopolisation and wealth extraction with the view to incubating and fledgling a new centre called the Balanced Economy Project. The aim is to draw attention to financialisation and monopolisation and the long-term trends of these that result in wealth extraction rather than wealth creation. The centre has now been established as an independent ally of the Tax Justice Network.

## **Media, communications and events**

The Tax Justice Network achieved record-breaking reach and performance across its communications in 2020. We successfully launched three major communication projects: a rebrand, a new website and new strategic messaging.

### *Rebrand*

The Tax Justice Network launched a rebrand in November 2020 that saw the introduction of a new logo, new colour scheme and new visual identity. Up until the rebranding, the Tax Justice Network's branding and logo had been the same since the

organisation launched nearly two decades ago in 2003. At the time, not many people knew about tax havens and their devastating impact on inequality around the world – and many people refuted the idea that global tax abuse was big enough to be harmful. The Tax Justice Network's branding, just like the rest of our work at the time, needed to draw attention to the globe-spanning nature and urgency of the problem. The red and black colour scheme communicated the gravity and urgency of the issue, the global map communicated the global nature of the issue.

Fast forward 17 years, and the scale and harms of global tax abuse today are regularly featured in the news and tackling them is high on national and global agendas. Polling conducted in 2020 in seven leading countries shows overwhelming public support for policymakers to crack down on companies using tax havens. The debate has moved on from “do tax havens cause damage?” to “how do we stop and repair the damage tax havens cause?”. The new Tax Justice Network branding is designed to best serve the organisation in this new chapter in the fight for tax justice.

The rebrand is characterised by a key pivot from drawing attention to the problem to pointing the way forward to the solution. While the Tax Justice Network has been proposing and successfully ushering in radical and imaginative policies solutions since 2003, we wanted our new branding itself to inspire people to reimagine the role tax plays in their life, and to reimagine a world where tax justice is realised. And so, we replaced the global map in the Tax Justice Network with an arrow pointing the way forward. And the serious colour scheme of 2003 was replaced with a bright, warm yellow, the colour of both the sun - evoking the possibility of a new day - and a gold coin, the simplest symbol of tax, hinting at the prosperity to be gained by all in a just society.

The response the Tax Justice Network has received from stakeholders, peers and our audiences was overwhelmingly

positive. The rebrand was conducted and designed internally through a team-wide effort, saving the organisation the hefty cost of hiring an external branding agency.

### *New messaging*

Complementing the updated visual identity introduced by the rebrand, the Tax Justice Network’s messaging was also updated in 2020. Based on various market research studies focused on how best to communicate and inspire on economic and tax issues, the new utilised two key elements: framing and the reprogramming metaphor. New framing techniques allow us to better communicate our messages, research and stories within particular field of meanings, helping us tell stories that connect with both hearts and minds. The reprogramming metaphor provided a clear and powerful story-telling tool for talking about complex tax and financial systems in an accessible way that both highlights problems and, importantly, solutions. The new messaging, which was rolled out across the year, proved highly sticky and was picked widely across media and social media. The messaging was particularly successful with our analysis and media work on the Covid-19 pandemic.

### *New website*

The Tax Justice Network launched its new website in November 2020 alongside the launch of the State of Tax Justice 2020. The completely revamped website is designed to



make it easier for visitors to find the content they need, whether they wish to learn about the tax justice issues for the first time or to find specialist, technical data to inform policy-making. Alongside a cleaner, modern interface for more comfortable reading and a more intuitive organising of content, the new website packs a number of useful features, including country profiles, curated collections, SEO-optimised FAQs and an inspiring interactive campaign page.

The Tax Justice Network broke previous records on website traffic volume in 2020. Overall, in 2020, across the old and new website, the Tax Justice Network hosted over 588,000 sessions – the highest on record for the organisation’s website - with over 856,000 pageviews. This marked a 65 per cent increase in sessions and 49 per cent increase pageviews over the past year. The five most visited articles published in 2020 were:

1. [Revealed: Netherlands, blocking EU’s Covid19 recovery plan, has cost EU countries \\$10bn in lost corporate tax a year](#)
2. [Britain’s Slave Owner Compensation Loan, reparations and tax havenry](#)
3. [Murky Ghana gold deal raises questions about Jersey](#)
4. [Financial Secrecy Index 2020 reports progress on global transparency – but backsliding from US, Cayman and UK prompts call for sanctions](#)

5. [UK u-turns on commitment to tax transparency, giving up £10 billion in corporate tax](#)

### *Financial Secrecy Index 2020*

The media response to the Financial Secrecy Index in February 2020 broke previous launch records by a mile. The 2020 edition of the index gained a media reach of 2.07 billion in its first 4 weeks of launch, which is more than the combined media reach of both the 2018 and 2015 editions in their first 4 weeks (1.95 billion). The 2020 edition gained 757 media hits in its first 4 weeks of launch and was covered in 71 countries. This included 55 print articles and 81 broadcast pieces. This coverage has spanned across 80 countries and included several high profile publications like the [Financial Times](#), the [New York Times](#), the [Daily Maverick](#), the [Times of India](#), [Agence Ecofin](#), [Al Jazeera](#), [The Guardian](#), [ABC Australia](#), [Il Sole 24 Ore](#), [Der Spiegel](#), [Clarín](#) and [El País](#).

### *2020 virtual events*

We were unable to hold our planned 2020 conference in Senegal in October, in partnership with TJN-Africa, and to focus in particular on Francophone Africa. Instead, we took the opportunity to run two virtual conferences focused on important developing areas of work: one on Imperial Inequalities, co-organised with Gurminder K Bhambra, University of Sussex and Julia McClure, University of Glasgow, and based on the contributions from their book *Imperial Inequalities*:



*Taxation and Welfare across European Empires* was attended by 263 individuals from 45 countries; and one on How to Pay for the Climate Transition was attended by 226 individuals from 43 countries. Both events combined cutting-edge new research with focused policy debates, extending tax justice thinking and networks.

#### *Podcasts*

The five different language tax podcasts (الجباية ببساطة in Arabic, Taxcast in English, IMPÔTS ET JUSTICE SOCIALE in French, É DA SUA CONTA in Portuguese and JUSTICIA IMPOSITIVA in Spanish) continue to grow their audiences and impact.

The covid-19 pandemic forced the production teams to reinvent their working dynamics, and move everything to their homes from recording sessions to meetings and interviews, through all this they still produce monthly editions with broadening reach over Africa, Latin-America, Europe, the Middle East and other regions. The pandemic was also one of the main editorial focuses of the year discussing regional and global common strategies and comparisons in the face of the virus, how to finance the response, the debt crisis and how it could be alleviated, and the importance of a Tax Justice approach. The podcasts continued to be a platform and give a voice to influential. Innovative and inspiring actors from social organisations, popular movements, academia and

governments. Topics included the Tax Justice Network's own Financial Secrecy Index 2020 results the Corporate Tax Haven Index, and the State of Tax Justice report, 2020 with particular focus on the regional aspects as well as systematic racism, reparations and tax justice, the climate crisis transition and tax justice and a broad range of other areas.

#### *Media and press*

The Tax Justice Network gained record breaking coverage in media in 2020. The Tax Justice Network was covered in 5,107 media hits with a total media reach of 43.3 billion. This marked a 125 per cent increase in media hits and a 225 per cent increase in media reach over 2019. Media coverage in 2020 consisted of 338 print articles, 187 broadcast pieces and 4,267 online articles. Coverage extended to 125 countries. The top 10 countries from which the Tax Justice Network received the most coverage were:

1. United States – 1,013 media hits
2. United Kingdom – 778 media hits
3. India - 267 media hits
4. France - 257 media hits
5. Italy - 185 media hits
6. Spain - 169 media hits
7. Germany – 147 media hits
8. Canada – 145 media hits
9. Switzerland – 93 media hits
10. Brazil – 80 media hits

The record-breaking media performance in 2020 is part of wider

trend of increase in media coverage of the Tax Justice Network. The organisation saw an increase of 46 per cent in media hits in 2019 over 2018. The Tax Justice Network averaged 467 media hits per month during the strategy period 2016 to 2021 and 223 media hits per month during the prior six-year period 2009 to 2015 – more than doubling the monthly average from period to period.

### *Social media*

The Tax Justice Network's saw strong growth across its social media, particularly on Twitter and LinkedIn. We gained 3.5 million organic impressions on Twitter, an increase of 39 per cent over the previous year while also boosting our engagement rate by 26 per cent. We gained over 5,700 followers in 2020, taking our total Twitter follower count up to just over 34,000.

Our LinkedIn saw a whopping 84 per cent growth in impressions in 2020, totalling at 58,313 for the year. The number of likes, shares and

comments on our LinkedIn posts more than doubled in 2020 over the previous year to 1,231.

Our Facebook page saw small but steady growth. The number of users that like our page increased by 12.8 per cent in 2020 from 2019 to a total of 13,255 followers. Our posts had a total organic reach of 270,415.

General social media traffic to our website, not just that generated from our social media accounts, dramatically grew in 2020 by 292 per cent to 137,626 sessions. Broken down by network, our website saw a 519 per cent increase in sessions from Facebook in 2020, a 210 per cent increase from LinkedIn and 74 per cent increase from Twitter.

### *Newsletters*

We ran 64 email campaigns in 2020, sending out over 178,000 emails, with over 63,700 unique opens and over 10,971 clicks. We increased our unique click to open rate by 25 per cent to a rate of 17.2 per cent.

## FINANCIAL REVIEW

In 2020 our overall income amounted to £1,457,072 (£1,344,583 from grants, £59,917 from other income, £50,678 from donations) which was a 5% decrease on 2019.

A significant amount of the grant income was from Norad, as part of their multi-year support for our work in Africa and Latin America and Ford Foundation, as part of their multi-year support for our core work. In 2020 we received grants from new funders including Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Public Services International. 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 2020, we received £29,228, 49% more than 2019, online donations from 128 individuals. We are grateful to all of our donors, and in particular to the following individuals, who made generous donations of more than £1,000 in 2020: Benjamin Chemouni, Sarah Henry, Mr & Mrs J Oversby and Trygve Ottersen.

In 2020 we did not make any grants to other organisations.

We do not employ any dedicated fundraising staff. We estimate that we spend just under 2% of our total budget on fundraising activities.

Our overall expenditure at £1,380,617 was at a very similar level to 2019, with staff costs being the most significant cost line at £1,087,069 (79%). Our staffing levels saw a small increase on 2019 and we ended the year with a total employee and contractor base of 21. Governance and Support costs remained relatively stable as a percentage of overall expenditure (16% in 2018; 14% in 2019 and 13% in 2020).

The closing position of the funds sees £383,460 of restricted and designated funding being carried forward for use by the relevant project activity in 2021. General unrestricted reserves currently stand at £766,027 which represents 6 months of operational running costs. The funds we hold in reserves are in line with our reserves policy.

As we look forward the funding landscape it is still changing in response to the pandemic and as a consequence of it. We are incredibly grateful for all the support and commitment shown by our funders through this difficult time. We have also, in 2021, secured funding from new funders and for new projects, including two for the European Union. We are therefore confident that with the present confirmed restricted and unrestricted funds that any financial impact in the short to medium term will not result in a negative impact on the Tax Justice Network's ability to continue operations.

## Full list of current grants as of 31 December 2020

Note: this list includes grants whose performance period includes some or all of the year 2020. "Value" refers to the total value of the grant over the entire grant period.

Grant	Funder	Value	Starts	Ends
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	\$110,000	06/2018	06/2021
Building Institutions and Networks (BUILD)	Ford Foundation	\$2,000,000	01/2018	12/2021
Financial Secrecy and Tax Advocacy in Africa (FASTA); and in Latin America (FASTLA)	Norad	NOK27.8m	03/2017	12/2022
Anticorruption and Integrity: Granular IFF Risk Analysis (GIFFRA)	GIZ	€199,975	06/2019	12/2020
Combatting Illicit Financial Flows: Western Balkans	GIZ	€116,127	10/2020	09/2021
Financial Transparency Coalition 2020-2021	FTC	\$132,500	01/2020	06/2021
Combatting Fiscal Fraud and Empowering Regulators (COFFERS)	European Commission	€711,678	11/2016	01/2020
State of Tax Justice Report (2020)	PSI	€50,000	06/2020	09/2020
Offshore Financial Secrecy Reform and Corruption Control	University of Sussex	£28,633	01/2019	12/2020





# ORGANISATIONAL STRENGTHENING

## Systems, processes and policies

2019 was a year where we significantly invested in the creation and adoption of a suite of organisational policies and systems. We continued to implement and embed these policies in 2020 though

with the change of Director of Operations and the impact of the pandemic on our staff and capacity we did not progress as envisaged and continue to bring focus to this area.

## Fundraising

As can be seen from the figures above we continue to see success and growth from our supporters scheme that was launched in 2019 to encourage individual donors to make regular contributions. We continue to invest in this programme.

In 2020, in addition to the €200,000 secured in 2019 we secured a further €116,127 from GIZ focussing on combatting Illicit Financial Flows the Western Balkans. The Wallace Global Fund granted an additional \$30,000 towards our core work and Public Services International €50,000

towards our State of Tax Justice report.

We continued to engage with potential donors directly and indirectly and also collaborated with others on joint projects we undertook research on US and Global foundations and trusts and built cases for support for our work more generally along with new areas we wish to expand in such as addressing the Climate Crisis through tax justice.

## 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 2020 we supported further activities of the Tax and Gender Working Group of the Global Alliance for Tax Justice.

We were unable to hold our planned 2020 conference in Senegal in October, in partnership with TJN-Africa, and to focus in particular on Francophone Africa. Instead, we took the opportunity to run two virtual conferences focused on important

developing areas of work: one on Imperial Inequalities, co-organised with Gurminder K Bhambra, University of Sussex and Julia McClure, University of Glasgow, and based on the contributions from their book *Imperial Inequalities: Taxation and Welfare across European Empires*; and one on How to Pay for the Climate Transition. Both events combined cutting-edge new research with focused policy debates, extending tax justice thinking and networks.

Our Board, Senior Management Team and complete staff team are all

either equally split in terms of men and women members or have more representation from women. Staff are based throughout the globe including Latin America, Africa and Europe. With the impact of the Covid-19 pandemic on personal and family life, we have worked to support staff more in having the time

off as necessary and being able to work more flexibly to help in managing the challenges. In addition, we closed the organisation for two weeks over the end-of-year period to ensure that all staff could benefit from a full separation and disconnection from work.



# 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

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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 do not accept anonymous donations from organisations or individuals of over £1,000 per year; we publish the names of all donors giving over this amount during the course of the year.

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

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

## **Sustainability**

We operate virtually and across multiple time zones, with no physical offices for staff to travel to. We have always encouraged the use of virtual

conferencing in preference to travelling for meetings wherever practical, and with the global pandemic this has been very much the norm. Not only helping in terms of sustainability but allowing us to participate in more events than would have been possible if presence was only in person. We aim to minimise waste output and recycle as much waste as possible and electronic filing of records take priority over paper filing.

## **Policies**

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

## **Risks**

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

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

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

This report was approved by the Board on 9<sup>th</sup> September 2021 and signed on its behalf.



Yamini Mishra,  
Director

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## **Independent auditors' report**

### **To the members of**

#### **Tax Justice Network**

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##### **Opinion**

We have audited the financial statements of Tax Justice Network (the 'company') for the year ended 31 December 2020 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 Section 1A: 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 2020 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.



## **Independent auditors' report**

### **To the members of**

#### **Tax Justice Network**

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

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

#### **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;

## **Independent auditors' report**

### **To the members of**

#### **Tax Justice Network**

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- certain disclosures of directors' remuneration specified by law are not made;
- we have not obtained all the information and explanations necessary for the purposes of our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

## **Independent auditors' report**

### **To the members of**

#### **Tax Justice Network**

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

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

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

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

(3) We inspected the minutes of director meetings.

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

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

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

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

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

## **Independent auditors' report**

### **To the members of**

#### **Tax Justice Network**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Rob Wilson*

Date: 9 September 2021

**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 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
<b>Income from:</b>					
Donations and legacies	3	938,176	457,085	<b>1,395,261</b>	1,476,253
Other trading activities	4	7,765	52,152	<b>59,917</b>	30,347
Investments		295	1,599	<b>1,894</b>	1,967
Other income	5	-	-	-	31,560
<b>Total income</b>		<u>946,236</u>	<u>510,836</u>	<u><b>1,457,072</b></u>	<u>1,540,127</u>
<b>Expenditure on:</b>					
Raising funds		-	18,333	<b>18,333</b>	11,069
Charitable activities		<u>1,051,553</u>	<u>310,731</u>	<u><b>1,362,284</b></u>	<u>1,362,809</u>
<b>Total expenditure</b>	7	<u>1,051,553</u>	<u>329,064</u>	<u><b>1,380,617</b></u>	<u>1,373,878</u>
<b>Net income / (expenditure) and net movement in funds</b>	8	(105,317)	181,772	<b>76,455</b>	166,249
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>430,450</u>	<u>642,582</u>	<u><b>1,073,032</b></u>	<u>906,783</u>
<b>Total funds carried forward</b>		<u><u>325,133</u></u>	<u><u>824,354</u></u>	<u><u><b>1,149,487</b></u></u>	<u><u>1,073,032</u></u>

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

**Tax Justice Network****Balance sheet****As at 31 December 2020**

	Note	£	2020 £	2019 £
<b>Fixed assets</b>				
Tangible assets	11		<b>2,954</b>	7,832
<b>Current assets</b>				
Debtors	12	<b>203,281</b>		153,303
Cash at bank and in hand		<b>1,024,493</b>		973,252
		<b>1,227,774</b>		1,126,555
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	13	<b>(81,241)</b>		(61,355)
<b>Net current assets</b>			<b>1,146,533</b>	1,065,200
<b>Net assets</b>	14		<b>1,149,487</b>	1,073,032
<b>Funds</b>	15			
Restricted funds			<b>325,133</b>	430,450
Unrestricted funds				
Designated funds			<b>58,327</b>	157,157
General funds			<b>766,027</b>	485,425
<b>Total funds</b>			<b>1,149,487</b>	1,073,032

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 9 September 2021 and signed on their behalf by



**Yamini Mishra, Director**

**Tax Justice Network****Statement of cash flows****For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Cash used in operating activities:</b>			
<b>Net cash provided by operating activities</b>	16	<u>49,760</u>	<u>17,792</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(413)	(5,757)
Interest from investments		<u>1,894</u>	<u>1,967</u>
<b>Net cash used in investing activities</b>		<u>1,481</u>	<u>(3,790)</u>
<b>Increase in cash and cash equivalents in the year</b>		<b>51,241</b>	14,002
Cash and cash equivalents at the beginning of the year		<u>973,252</u>	<u>959,250</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>1,024,493</b></u>	<u>973,252</u>

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

**1. Accounting policies**

**a) Basis of preparation**

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

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

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

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

**b) Going concern basis of accounting**

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



**c) Income**

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

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

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

**d) Interest receivable**

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

**e) Funds accounting**

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

**f) Expenditure and irrecoverable VAT**

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

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

## Tax Justice Network

### Notes to the financial statements

#### For the year ended 31 December 2020

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##### 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:

	2020	2019
Raising funds	1.6%	1.0%
Charitable activities	98.4%	99.0%

##### 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 £300 are capitalised where they are deemed to have an expected useful life of 3 years.

##### i) Debtors

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

##### j) Cash at bank and in hand

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

##### k) Creditors

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

**Notes to the financial statements**

**For the year ended 31 December 2020**

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**l) Financial instruments**

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

**m) Pension costs**

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

**n) Foreign currency transactions**

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

**o) Accounting estimates and key judgements**

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

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

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

**Depreciation**

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

**Tax Justice Network**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**2. Prior period comparatives: statement of financial activities**

	Restricted £	Unrestricted £	2019 Total £
<b>Income from:</b>			
Donations and legacies	919,030	557,223	<b>1,476,253</b>
Other trading activities	14,668	15,679	<b>30,347</b>
Investments	-	1,967	<b>1,967</b>
Other income	-	31,560	<b>31,560</b>
<b>Total income</b>	<b>933,698</b>	<b>606,429</b>	<b>1,540,127</b>
<b>Expenditure on:</b>			
Raising funds	-	11,069	<b>11,069</b>
Charitable activities	1,076,674	286,135	<b>1,362,809</b>
<b>Total expenditure</b>	<b>1,076,674</b>	<b>297,204</b>	<b>1,373,878</b>
<b>Net income / (expenditure)</b>	<b>(142,976)</b>	<b>309,225</b>	<b>166,249</b>
Transfers between funds	49,641	(49,641)	-
<b>Net movement in funds</b>	<b>(93,335)</b>	<b>259,584</b>	<b>166,249</b>

**Tax Justice Network**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**3. Income from donations and legacies**

	Restricted £	Unrestricted £	2020 Total £
Donations	21,390	29,288	<b>50,678</b>
Grants:			
Norad	444,456	-	<b>444,456</b>
Ford Foundation	-	380,112	<b>380,112</b>
Financial Transparency Coalition	104,534	-	<b>104,534</b>
GIZ - Anticorruption and Integrity	70,748	-	<b>70,748</b>
GIZ - IFF Balkans	51,843	-	<b>51,843</b>
Public Services International	45,062	-	<b>45,062</b>
Institute of Development Studies	23,625	-	<b>23,625</b>
Wallace Global Fund	-	23,432	<b>23,432</b>
Adessium	20,932	-	<b>20,932</b>
EU - COFFERS	18,087	-	<b>18,087</b>
University of Sussex	14,317	-	<b>14,317</b>
Friends Provident Foundation (ICRICT)	65,682	-	<b>65,682</b>
Joffe Charitable Trust (ICRICT)	25,000	-	<b>25,000</b>
Joffe Charitable Trust (CICTAR)	25,000	-	<b>25,000</b>
Alex Ferry Foundation (CICTAR)	7,500	-	<b>7,500</b>
Other CICTAR grants	-	24,253	<b>24,253</b>
<b>Total income from donations and legacies</b>	<b>938,176</b>	<b>457,085</b>	<b>1,395,261</b>

**Tax Justice Network****Notes to the financial statements****For the year ended 31 December 2020****3. Income from donations and legacies (continued)****Prior period comparative**

	Restricted £	Unrestricted £	2019 Total £
Donations	14,389	19,894	34,283
Grants:			
Norad	470,293	-	470,293
Ford Foundation	-	387,935	387,935
Ford Foundation (ICRICT)	-	139,253	139,253
Adessium	88,784	-	88,784
EU - COFFERS	88,706	-	88,706
Financial Transparency Coalition	73,037	-	73,037
Campaign for Tobacco Free Children	69,278	-	69,278
ICRICT	63,385	-	63,385
Wallace Global Fund	31,667	-	31,667
Joffe Charitable Trust	14,317	-	14,317
Other small grants	-	10,141	10,141
Tax Justice Italy	5,174	-	5,174
<b>Total income from donations and legacies</b>	<b>919,030</b>	<b>557,223</b>	<b>1,476,253</b>

## Tax Justice Network

### Notes to the financial statements

**For the year ended 31 December 2020**

#### 4. Income from other trading activities

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

#### Prior period comparative

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

#### 5. Other income

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Legal settlements	-	-	-	31,560
<b>Total other income</b>	-	-	-	31,560

All other income in the prior period was unrestricted.

#### 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 2020 was £444,456 (2019: £470,293). There are no unfulfilled conditions or contingencies attaching to these grants in 2020.

## Tax Justice Network

### Notes to the financial statements

**For the year ended 31 December 2020**

#### 7. Total expenditure

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

Total governance costs were £25,403.



## Tax Justice Network

### Notes to the financial statements

**For the year ended 31 December 2020**

#### 7. Total expenditure (continued) - prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Staff costs (note 9)	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 conferences	-	-	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 2020

##### 8. Net movement in funds

This is stated after charging:

	2020 £	2019 £
Depreciation	3,379	5,949
Loss on disposal of fixed assets	1,912	748
Directors' remuneration	303,903	342,897
Directors' reimbursed expenses	2,945	13,310
Auditors' remuneration:		
• Statutory audit (including VAT)	7,980	7,740
• Other services (restricted project audits, including VAT):	<u>7,809</u>	<u>-</u>

Directors' reimbursed expenses comprise amounts to six directors relating to travel, home office and governance expenses (2019: five directors).

##### 9. Staff costs and numbers

Staff costs were as follows:

	2020 Total £	2019 Total £
Salaries and wages	750,350	639,991
Social security costs	116,027	100,048
Pension costs	75,002	63,364
Freelance staff	<u>145,690</u>	<u>168,596</u>
	<u>1,087,069</u>	<u>971,999</u>

2 employees earned between £60,000 and £70,000 during the year (2019: three).

The key management personnel of the company comprise the Directors, five of whom are employed as Director, CEO; Director, Chair; Director, Financial Secrecy and Governance; Director, Injustice and Inequality; and Director, Operations & Communications. The total employee benefits of the key management personnel were £303,903 (2019: £342,897).

**Tax Justice Network**

**Notes to the financial statements**

**For the year ended 31 December 2020**

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**9. Staff costs and numbers (continued)**

	<b>2020</b>	2019
	<b>No.</b>	No.
Average head count	<b>17.80</b>	15.00

**10. Taxation**

	<b>2020</b>	2019
	<b>£</b>	£
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	<b>14,526</b>	25,591
Deduct surplus on non-taxable income	<b>(14,526)</b>	(25,591)
<b>Total current tax charge</b>	-	-

**Tax Justice Network**

**Notes to the financial statements**

**For the year ended 31 December 2020**

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**11. Tangible fixed assets**

	<b>Computer Total £</b>
<b>Cost</b>	
At 1 January 2020	<b>24,450</b>
Additions in year	<b>413</b>
Disposals	<b>(4,009)</b>
	<hr/>
At 31 December 2020	<b>20,854</b>
	<hr/>
<b>Depreciation</b>	
At 1 January 2020	<b>16,618</b>
Charge for the year	<b>3,379</b>
On disposals	<b>(2,097)</b>
	<hr/>
At 31 December 2020	<b>17,900</b>
	<hr/>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<b>2,954</b>
	<hr/> <hr/>
At 31 December 2019	<b>7,832</b>
	<hr/> <hr/>

**12. Debtors**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	<b>169,195</b>	29,205
Prepayments	<b>23,596</b>	17,228
Accrued income	<b>10,490</b>	106,870
	<hr/>	<hr/>
	<b>203,281</b>	<b>153,303</b>
	<hr/> <hr/>	<hr/> <hr/>

**Tax Justice Network**

**Notes to the financial statements**

**For the year ended 31 December 2020**

**13. Creditors : amounts due within 1 year**

	<b>2020</b>	2019
	£	£
Trade creditors	<b>8,388</b>	14,415
Taxation and social security	<b>24,519</b>	19,227
Accruals	<b>48,334</b>	27,713
	<b>81,241</b>	61,355

**14. Analysis of net assets between funds**

	Restricted funds £	Designated funds £	General funds £	<b>Total funds £</b>
Tangible fixed assets	-	-	2,954	<b>2,954</b>
Current assets	325,133	58,327	844,314	<b>1,227,774</b>
Current liabilities	-	-	(81,241)	<b>(81,241)</b>
<b>Net assets at 31 December 2020</b>	<b>325,133</b>	<b>58,327</b>	<b>766,027</b>	<b>1,149,487</b>
<b>Prior period comparative</b>	Restricted funds £	Designated funds £	General funds £	<b>Total funds £</b>
Tangible fixed assets	-	-	7,832	<b>7,832</b>
Current assets	430,450	157,157	538,948	<b>1,126,555</b>
Current liabilities	-	-	(61,355)	<b>(61,355)</b>
<b>Net assets at 31 December 2019</b>	<b>430,450</b>	<b>157,157</b>	<b>485,425</b>	<b>1,073,032</b>

## Tax Justice Network

### Notes to the financial statements

For the year ended 31 December 2020

#### 15. Movements in funds

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

## **Tax Justice Network**

### **Notes to the financial statements**

**For the year ended 31 December 2020**

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#### **15. Movements in funds (continued)**

##### **Purposes of restricted funds**

<b>Norad</b>	"Financial Secrecy and Tax Advocacy in Africa" (FASTA) project and "Financial Secrecy and Tax Advocacy in Latin America" (FASTLA) project.
<b>Adessium</b>	Core funding, provided for "Countering tax avoidance in the EU".
<b>Financial Transparency Coalition</b>	2020 work plans focusing on beneficial ownership, asset registries and automatic exchange of information.
<b>EU - SMART</b>	European Commission: "Combatting Fiscal Fraud and Empowering Regulators"
<b>EU - COFFERS</b>	European Commission: "Sustainable Market Actors for Responsible Trade" project.
<b>Wallace Global Fund</b>	Core funding for Tax Justice and Human Rights work.
<b>University of Sussex</b>	"Does Transparency bring Cleanliness? Offshore Financial Secrecy Reform and Corruption" project.
<b>R H Southern Trust</b>	Research relating to country by country reporting.
<b>Institute of Development Studies</b>	"Double tax treaty aggressiveness: Who is bringing down withholding taxes in Africa?" project.
<b>GIZ - Anticorruption and Integrity</b>	"Anticorruption and Integrity: Granular IFF Risk Analysis (GIFFRA)" project.
<b>GIZ - IFF Balkans</b>	"Combatting Illicit Financial Flows in Western Balkans" project.
<b>The State of Tax Justice</b>	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 2020

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#### 15. Movements in funds (continued)

<b>ICRICT</b>	Independent Commission for the Reform of International Corporate Taxation: Tax Justice Network act as fiscal hosts for the Commission.
<b>CICTAR</b>	Centre for International Corporate Tax Accountability and Research: Tax Justice Network act as fiscal hosts in the UK.
<b>Tax Justice Italy</b>	Tax Justice Network acted as fiscal hosts for funding received to support the set up of a tax justice organisation in Italy.

#### Purposes of designated funds

<b>Open Society Foundations core grant</b>	To carry forward a core funding grant received for the period 1 November 2019 to 30 April 2021, for use against core costs in 2021.
<b>Exceptional item</b>	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.



# Tax Justice Network

## Notes to the financial statements

For the year ended 31 December 2020

### 15. Movements in funds (continued)

#### Prior period comparative

	At 1 January 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2019 £
<b>Restricted funds</b>					
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
R H Southern Trust	-	14,317	(14,317)	-	-
Small grants	40,025	-	(5,074)	-	34,951
ICRICT	-	88,784	(19,474)	-	69,310
Tax Justice Italy	12,567	-	(12,567)	-	-
Joffe Charitable Trust	36,147	93,629	(104,133)	-	25,643
Oxfam NOVI	1,327	-	(637)	-	690
Open Knowledge	-	8,464	(8,464)	-	-
<b>Total restricted funds</b>	<b>523,785</b>	<b>933,698</b>	<b>(1,076,674)</b>	<b>49,641</b>	<b>430,450</b>
<b>Unrestricted funds</b>					
<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
<b>Total unrestricted funds</b>	<b>382,998</b>	<b>606,429</b>	<b>(297,204)</b>	<b>(49,641)</b>	<b>642,582</b>
<b>Total funds</b>	<b>906,783</b>	<b>1,540,127</b>	<b>(1,373,878)</b>	<b>-</b>	<b>1,073,032</b>

\*The FASTA and FASTLA funds have been combined into a single fund in the current period. The brought forward funds have been combined and brought forward in total.

## Tax Justice Network

### Notes to the financial statements

For the year ended 31 December 2020

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

	2020 £	2019 £
<b>Net movement in funds</b>	<b>76,455</b>	166,249
Adjustments for:		
Depreciation charges	<b>3,379</b>	5,949
Interest from investments	<b>(1,894)</b>	(1,967)
Loss on the sale of fixed assets	<b>1,912</b>	748
Increase in debtors	<b>(49,978)</b>	(126,419)
Increase / (decrease) in creditors	<b>19,886</b>	(26,768)
<b>Net cash provided by operating activities</b>	<b>49,760</b>	17,792

#### 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 2020 (2019: €2,500).

During the year, no donations were made to the company by directors (2019: £7,617 by two directors). There were no other related party transactions in the current or prior year.

#### 18. 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 funds had been successful and £31,782 was received. This amount was recognised in 2019 as other income, as the case was settled in that period. However, legal representatives have indicated that the amount may become repayable in the event of insolvency proceedings being triggered against the individual involved. The amount is therefore disclosed as a contingent liability and will additionally be maintained within a designated fund until the possibility of repayment is deemed to be remote.