

Annual Report and Accounts 2016

Tax Justice Network

Success story: Justicia Impositiva

With our regular podcast and radio broadcast, the Taxcast, entering its fifth year, in July 2016 we launched a Spanish language equivalent, *Justicia Impositiva*, run by Marcelo Justo and Marta Nunes (formerly of the BBC and Foreign Office, respectively).

Within six months, we were accepted by the Latin American Association for Educational Radio (ALER) to retransmit to 85 radio stations across Latin America with an estimated audience of one million listeners.



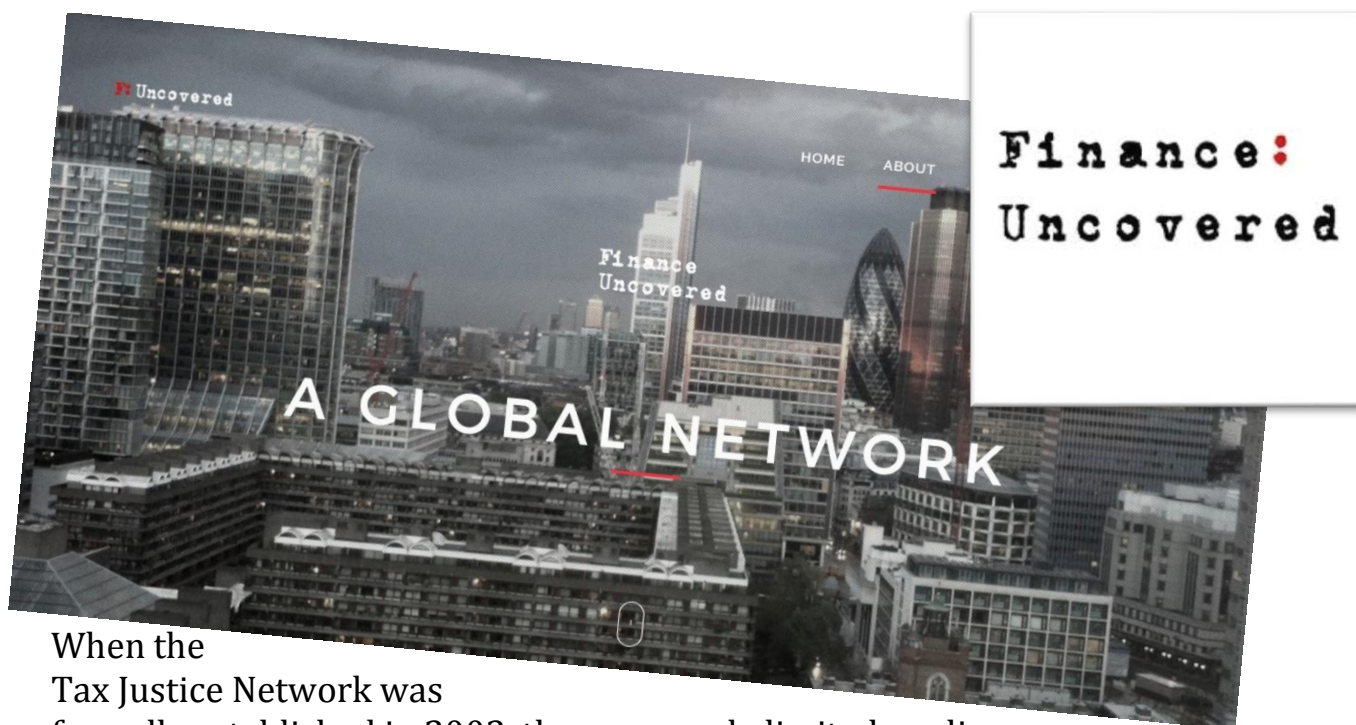


Success story: Stubbing out Big Tobacco

Tobacco consumption is projected to cause **a billion deaths** this century. Already, more than two thirds of smoking-related deaths occur in low- and middle-income countries. But these are the only growth markets, and increasingly the target of Big Tobacco's lobbying against effective taxation – the most powerful tool against tobacco consumption.

In 2016, the Tax Justice Network coordinated a global campaign of development and health groups against the tobacco companies' key lobbying body, the International Tax and Investment Center (ITIC). Global media coverage of our campaign culminated in a decision by the other multinational company members to kick the tobacco companies out of ITIC. Even a 5% reduction in the success of lobbying against tobacco tax would be likely to save millions of lives – and this success might far exceed that.

Success story: Finance Uncovered



When the Tax Justice Network was formally established in 2003, there was only limited media interest – and a sense that the issues were too technical for journalists or for the public. With TJN support, the first major front-page story on the intricacies of corporate tax avoidance was published by the Guardian in late 2007. A crucial element of TJN’s approach was to develop world-class training courses, and to invest in building and maintaining the resulting global network of journalists. This led to the creation of Finance Uncovered which at the end of 2016 became an independent investigative journalism organisation.

During its incubation phase, Finance Uncovered had trained more than 200 journalists, campaigners and academics from nearly 70 countries, including eight prominent Panama Papers reporters and over 50 journalists from Africa alone. Finance Uncovered has also been instrumental in a series of explosive multi-country investigative stories, including an exposé of Liberia’s offshore company registry, major profit shifting to Mauritius by Africa’s biggest telecom company and evidence of serious fraud at the recently upgraded Rift Valley Railway connecting Kenya and Uganda.

Lord Joffe, 1932-2017

As this report was being prepared, we heard the sad news that Lord (Joel) Joffe had passed away. As well as famously having represented Nelson Mandela, Joel could count an extraordinary number of achievements in pushing for radical change in various settings. We at TJN are extremely grateful for the advice and support of Joel and the Joffe Trust over many years, which played a pivotal role in our development.

Credits

Cover image: adapted from mapping of jurisdictions observed in Panama Papers leaks, by Daniel Haberly of Sussex University.

Page 1: image of Heinrich-Hertz-Turm, a TV and radio-tower in Hamburg, Germany, taken by Kristof Hamann (2004), via Wikimedia Commons.

Page 2: adapted from image taken by Medovarszki Mihály (2006), via Wikimedia Commons.

Page 3: Finance Uncovered, screenshot: <http://www.financeuncovered.org>.

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Administrative information for year ended 31 December 2016

Tax Justice Network Limited is a UK-registered private company limited by guarantee without share capital.

Company number [05327824](#)

Registered office 38 Stanley Avenue, Chesham, Buckinghamshire, HP5 2JG

Directors Directors under company law, who served during the year and up to the date of this report were as follows:

John Christensen
Alex Cobham (appointed 8 February 2016)
Cathy Cross (non-executive)
Markus Meinzer
Krishen Mehta (non-executive)
Liz Nelson

Bankers Cooperative Bank Plc
1 Balloon Street, Manchester M60 4EP

Triodos Bank
Deanery Road, Bristol BS1 5AS

Deutsche Bank
Biegenstrasse 2, 35037 Marburg

Auditors Chapman Robinson and Moore Limited
Accountants and Registered Auditors
30 Bankside Court
Stationfields
Kidlington
Oxford
OX5 1JE

Solicitors Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Directors' Report 2016

The directors present their report and the audited financial statements for the year ending **31st December 2016**. Administrative information set out on page 5 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

This report summarises a year of continuing progress and of significant transition for the Tax Justice Network. John Christensen established TJN formally in 2003 and has led the organisation ever since – with extraordinary success.

TJN's ABC of tax transparency, the key elements of the policy platform laid out during 2003-05, have moved from the utopian fringes to the centre of the global policy agenda:

- **Automatic exchange of tax information** has become *the* global standard in the fight against tax evasion, displacing its dysfunctional predecessor of information exchange 'upon request'. More than 100 countries are now signed to exchange automatically from 2017 onwards.
- **Beneficial ownership transparency**, through public registers, is also increasingly emerging as the new standard to combat tax evasion and a host of other corrupt activities. While many secrecy jurisdictions remain resistant, there are now powerful commitments from EU and EITI members, creating important global momentum.
- **Country-by-country reporting** for multinationals is an original Tax Justice Network proposal to ensure full public accountability for the profit shifting that underpins tax avoidance, and for the jurisdictions that actively procure it. First put forward by Prof. Richard Murphy, country-by-country reporting has now become an OECD standard with global reach – leaving the crucial, final step of the data being made fully public.

Perhaps even more importantly, under John's leadership TJN has played a role in shifting some of the most damaging narratives about tax – not least, the ideas that tax dodging is smart (rather than anti-social in the purest sense); that corruption is a problem of low-income countries alone (and not of financial centres or the secrecy services they sell); and that there can be more winners than losers from the race to the bottom on tax and financial regulation.

This 'weather-changing' role is the key to achieving systemic change: progress that goes beyond individual policy prescriptions, to a deeper shift in beliefs and assumptions that will in turn underpin more broadly progressive outcomes.

A worldwide tax justice movement is further testimony, if it were needed, to the great progress that has been made. The Global Alliance for Tax Justice spun out in 2013 as the umbrella group for mass mobilisation and campaigning; and the Financial Transparency Coalition, of which TJN was a founding member, has emerged as a key platform for high-level technical work and advocacy. TJN cannot take credit for these successes, of course – but nor is it certain that the conditions for either would have emerged had not John and colleagues taken up the battle when few others would even have identified the battleground.

A remarkable feature of this success is the budget that has facilitated it – just a few million pounds over more than a decade. TJN's impact has gone far beyond the immediate resources, due to the power of the narrative and the strength of the analysis.

Many organisations struggle with the transition from the founder's leadership, and TJN is fortunate indeed to have retained John as both a director and thematic lead for one of our key areas of work – and I am grateful for his ongoing support.

This year we have dedicated substantial effort to strategic planning, organising our work into four main themes and the cross-cutting communications specialism, strengthening our internal systems and capacity in a range of areas, and setting the basis for a sustained increase in funding as we look to capitalise on TJN's history of success and heighten our global impact.

I'm honoured to follow in John's footsteps, and to work with the exceptional team at TJN. The interests arrayed against tax justice – those that benefit from financial secrecy and tax abuses – are powerful indeed. But we have the happy advantages of being on the right side of the argument, and of working in solidarity towards improvements in the lives and society of the great majority of people on this planet.

Join us! A luta continua...

A handwritten signature in black ink, appearing to read 'Alex Cobham', with a long horizontal line extending to the right.

Alex Cobham

Chief Executive, Tax Justice Network

About TJN

The Tax Justice Network (TJN) is an independent international network. It is dedicated to high-level research, analysis and advocacy in the area of international tax and financial regulation, including the role of tax havens. TJN maps, analyses and explains the harmful impacts of tax evasion, tax avoidance and tax competition; and supports the engagement of citizens, civil society organisations and policymakers with the aim of a more just tax system. We pursue systemic changes that address the international inequality in the distribution of taxing rights between countries; the national inequalities – including gender inequalities – that arise from poor tax policies; and the national and international obstacles to progressive national tax policies and effective financial regulation.

Objectives and activities

The objectives of Tax Justice Network, as set out in its Memorandum and Articles of Association, are to:

1. 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. 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. restore similar tax treatment of different forms of income, and reverse the shifting of the tax burden onto ordinary citizens;
4. remove the tax and secrecy incentives that encourage the outward flow of investment capital from countries most in need of economic development; and to
5. 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.

TJN aims to achieve its objectives by carrying out detailed research into a topic or idea, bringing together experts and stakeholders in a particular area to facilitate discussions and analysis, produce detailed reports and analysis, and disseminating the products of our work – publicly challenging established positions. TJN's research is carried out by a mixture of its own staff and external consultations, often with professionals and academics based at universities and other institutions who have experience and qualifications in the particular field of practice or research, and in collaboration with other experts in that field.

Principal activities in 2016

The Company's principal activity during the calendar year ended **31st December 2016** was the supply of research, advice, and high-level dissemination services to the global tax justice movement.

Our work received more global media coverage than ever before, and our own channels of communication also reached new highs of engagement. Staff, senior advisers and board members were invited to and participated in many national, regional and international events, both research- and advocacy-focused, including with key partners such as CBGA in India, Latindadd, and Tax Justice Network – Africa. We also saw a broadening and deepening range of network relationships around the world, including those with the Financial Transparency Coalition (the high-level advocacy coalition of which TJN is a founding member, and part of the coordinating committee); and the Global Alliance for Tax Justice (the umbrella group for mass mobilisation which TJN spun out, and with which we work closely). We also continue to host the secretariat for the Independent Commission for Reform of International Corporate Taxation, ICRICT.

The Company achieved its principal objectives in 2016.

Financial secrecy

Our flagship output, the Financial Secrecy Index (FSI), has been published every two years since 2009, most recently in 2015. This could have left 2016 as a quiet year, but for three factors. First, we took the opportunity to conduct the first comprehensive review of the index. This included an international [stakeholder survey](#), with valuable contributions from all fields (around a quarter from civil society, for example, and nearly a fifth from public officials) and from 49 countries across six continents. While the survey focused on the presentation and substantive content of the index, the statistical approach was rigorously audited by the leading independent, international experts in index analysis, the European Commission's Joint Research Centre. Overall, we believe the reviews have significantly strengthened both the technical basis and expert support for the index and its design. Academic and other research use is growing too.

Second, 2016 saw the publication of the Panama Papers – resulting in weeks of coverage that matched or even exceeded the coverage typically associated with the FSI launch week. While TJN was not a direct participant in the ICIJ consortium that broke the many stories, various roles were played. A number of the journalists involved had taken part in earlier TJN training courses; TJN views and comments for publication were sought on a range of stories; and the package of stories with which the leak was broken to the public included a [feature interview](#) of TJN director John Christensen by Frederik Obermaier and Bastian Obermayer – the two journalists who led the entire process.

The third significant moment was the successful bid for major research funding from the European Commission, in collaboration with multiple academic partners from across the EU, in the [COFFERS project](#):

The European Union confronts expanded inequalities across a range of areas from gender, to generational, wealth, mobility and opportunity. One underlying factor common to these expanded inequalities is deficiencies in fiscal systems. The 'Combating Fiscal Fraud and Empowering Regulators' (COFFERS) project seeks to redress these deficiencies as policy innovation at national, regional and international levels



undergoes a period of accelerated development. The consortium identifies deficiencies and opportunities for upgrading in tax law, tax policy development, tax administration and enforcement at the EU level and across Member States. We track the tax gap and regulatory innovation. We trace how expert networks, jurisdictions and taxpayers adapt to and negotiate rapid evolutionary change. We transmit forward looking risk assessment and policy advice to intervene in that evolutionary process.

The funding will provide the basis for further expansion of the FSI's coverage, as well as a range of innovative research outputs. As a result, the FSI team has been boosted by a new member based in Luxembourg, lawyer Horiana Secara.

The year also saw a number of significant publications related to specific areas of financial secrecy, namely the ABC of tax transparency. Outputs included, inter alia, a [survey of 30 countries](#)' position with respect to Automatic information exchange; studies of Beneficial ownership, including ground-breaking analysis on the application of [transparency](#) to [trusts](#) as well as companies; and analysis of the [globally disequalising](#) effect of proposed OECD arrangements for information-sharing with respect to multinationals' Country-by-country reporting data.

Finally, a focus of work during the year was to draw public attention to the emergence of the United States as perhaps the greatest threat to progress against financial secrecy globally. Starting with a report in [January](#), the issue of US secrecy (while demanding transparency from others) was one to which we [returned](#) repeatedly through the year, including in media responses to the Panama Papers.

Tax justice for human rights

Our work on tax justice for human rights work continued to build steadily through 2016, by establishing academic relationships and becoming increasingly engaged in wider civil society discourse – not least with respect to women’s rights. A particular landmark was the first submission to the UN CEDAW (Convention on the Elimination of all forms of Discrimination Against Women) convention committee addressing the role of financial secrecy in one jurisdiction – in this case Switzerland – in exacerbating gender inequalities elsewhere. This initiative, led by the Center for Economic and Social Rights (CESR) and NYU Center for Human Rights and Global Justice (CHRGJ), was fully reflected in the committee’s report which identified the need for substantial reforms.

The scope to address financial secrecy and tax abuses through human rights instruments is but one element of the important linkages in this area. At its heart lies the key role of effective taxation in ensuring States that are both financially able and politically willing to achieve the maximum possible progress towards the realisation of all citizens’ rights.

The scale of tax injustice

Work continued through the year on questions of the scale of tax injustice. A shift has seen emphasis move from broader calculations of overall scale of (say) revenue losses, designed to bring the issues to a wider audience, and onto more rigorous and policy-valuable assessments of specific trends and channels of impact. 2016 saw publications on the (in)[security impact](#) of illicit financial flows; and a study published by the UN University World Institute for Development Economics Research (UNU-WIDER) on the importance of [tax for health](#): not only the level of health spending, but also the extent of health coverage and the degree of health benefits.

TJN co-authored a high-profile report for Oxfam, as the INGO returned to the scene of their pivotal report of 2000 with a new study titled ‘[Ending the Era of Tax Havens](#)’, establishing among other things that leading IMF estimates of tax avoidance amount to a few percent of tax revenues for OECD members, but 6-13% of revenues for lower-income countries.

Research continued into developing the most robust, granular estimates of corporate profit-shifting, and on applications of the Financial Secrecy Index demonstrating causal linkages to outcomes.

Race to the bottom

2016 saw a decision to commit significant resources to challenging some of the most damaging narratives that we confront: those of ‘competition’. These include claims that ‘tax competition’ is meaningfully related to the microeconomic analyses of perfect competition between infinitely many small firms; that being ‘tax competitive’ is by definition a good thing for a country; and that equivalent arguments might apply to financial and other regulation. In each case, the narratives are used to support ideologically driven acceleration of a race to the bottom – whether in tax or in standards of regulation – with little or no weighing of the true societal costs and benefits.

Throughout 2016 we have been strengthening links with a range of academic institutions with an interest in high-quality evidence and critical analysis of narratives of competitiveness, foremost among them the Sheffield Political Economy Research Institute (SPERI).

Mobilising for tax justice programme

The programme, funded by Norad, was extended by one year, reflecting ongoing success in building global support for tax justice research, campaigning and advocacy. Under this programme TJN has provided advice and financial grants to partners across the Global South, mainly to support in-country research, research seminars, capacity building workshops, travel and accommodation to international conferences and major events, national and international advocacy, and production of training and educational materials. This partner support has covered the following countries:

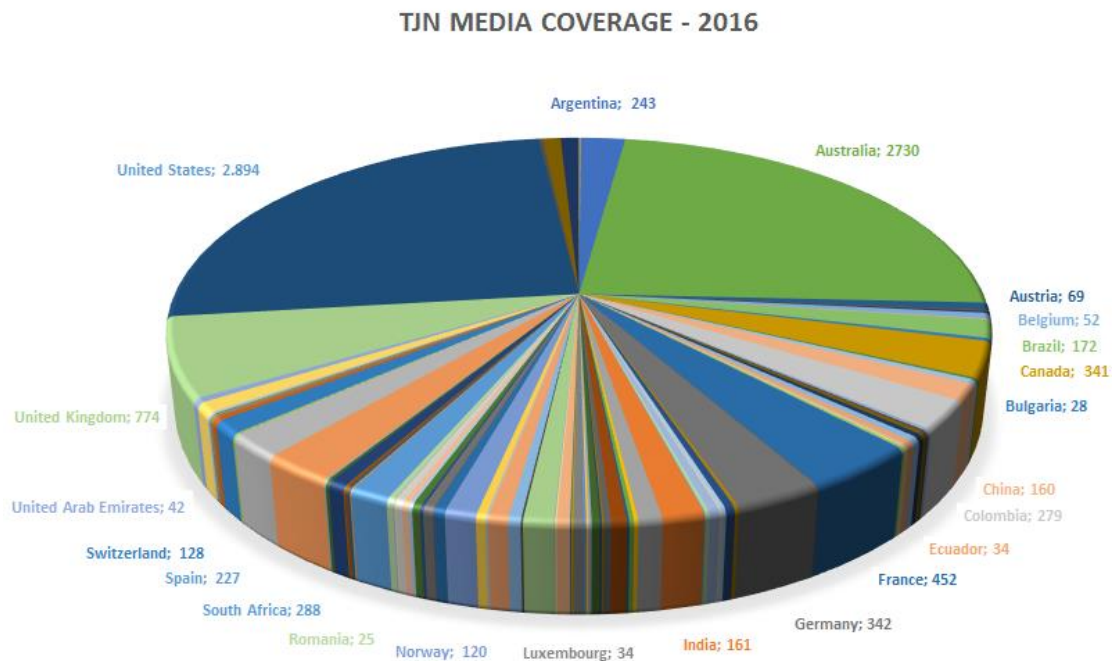
Southern Africa	Malawi, Mozambique, South Africa, Zambia, Zimbabwe
West Africa	Benin, Côte d’Ivoire, Ghana, Mali, Nigeria, Senegal, Sierra Leone, Togo, Liberia
East Africa	Kenya, Tanzania, Uganda, Ethiopia, Burundi
North Africa	Egypt, Tunisia
Central Africa	Cameroon, Niger, South Sudan
Latin America	Peru, Guatemala, Caribbean, Colombia, Ecuador
South and South East Asia	Indonesia, Philippines, Nepal, Bangladesh, Pakistan, India, Japan,

Since its inception in 2011 the Mobilising for Tax Justice programme has played a key part in building the global tax justice movement in six continents. The programme has helped build research, campaign, and advocacy capacity; it has also supported a global dissemination effort involving a wide range of outputs ranging from traditional (viz pamphlets, books, reports) to online media including podcasts, video, and feature length documentary films.

We regard this programme as an unqualified success. In broader mobilisation, 2016 also saw the launch of Tax Justice Network – Japan, joining a growing group of national and regional TJNs. While each is fully independent of Tax Justice Network, together we work towards shared aims of changing public narratives and driving policy progress.

Media and communications

TJN has an enviable reputation as the ‘go-to’ source for commentary on global tax justice issues, and strong communications channels lie at the heart of our successful influencing.



In 2016 we saw a sharp rise in our global media profile, due in no small part to the worldwide interest in the Panama Papers and the subsequent London anti-corruption summit. In total, we recorded 11,600 global media hits. We also achieved continuing growth in our online presence, including our website, Twitter and Facebook channels.

Our radio broadcasts/podcasts, the Taxcast (in English) and Justicia Impositiva (in Spanish) performed exceptionally well. The Taxcast, now in its fifth year, covered a range of subjects from the LuxLeaks trial to an interview with the head of Tax Inspectors Without Borders, James Karanja, and one of the most popular episodes ever featuring the leading Panama Papers reporters Bastian Obermayer and Frederik Obermaier.

In January 2016, the Taxcast included a special feature on the ‘Wild West’ of Scottish Limited Partnerships (SLPs), anonymous ownership vehicles seen increasingly in cross-border criminal activity. Following significant further work by interviewee Richard Smith of Naked Capitalism and others, and the development of focused civil society campaigning, SLPs were finally stripped of the right to anonymous ownership just as this report went to press, in June 2017.

As highlighted at the front of this report, Justicia Impositiva made very rapid progress from its July 2016 launch and has been accepted by the Latin American Association for Educational Radio (ALER) to retransmit to 85 radio stations across Latin America with an estimated audience of one million listeners. In addition, a permanent contact has been established with FARCO, the main organisation for over 200 community radio stations that can download the programme. A range of contacts have also been made in Argentina, Guatemala, Honduras and Nicaragua. Listening figures have also risen well ahead of expectations across North America.

In written media, in addition to research reports and academic publications noted elsewhere, 2016 saw the publication of a special issue of Tax Justice Focus, on the theme of corruption and timed to coincide with our [annual conference](#) – in conjunction with the Association for Accountancy & Business Affairs and City University – which was held on the same theme, in the immediate run-up to the London anti-corruption summit. Along with the massive media exposure TJN was able to achieve during the coverage of the Panama Papers, these strongly bolstered the narrative in the media and popular perception that secrecy provided by major financial jurisdictions is a key factor in international corruption (as opposed to the long-standing counter-narrative that corruption is a lower-income country problem).

In addition, it provided a platform for specific and powerful advocacy in favour of public beneficial ownership registers. The London Summit saw a range of countries commit to this important transparency measure, and provided a springboard for ongoing progress at EU level also.

Finally, as highlighted above, 2016 saw the spinning out of Finance Uncovered. TJN will continue to be closely engaged, including providing substantial support to journalist training courses, but Finance Uncovered’s new status allows it to operate with full

independence and to obtain funding on that basis. With a core team of three investigative journalists, and a growing network of more than 200 in around 70 countries, the future looks bright indeed. A developing work programme on asset disclosure of politicians is already seeing significant progress, and chiming with the public – not least those in the US under President Trump.

Funding

Our funds come from a variety of sources: foundations, research grants, governments, NGOs and individuals. We are grateful for all, independently of their size – because not only do they enhance our ability to push for global change, they also reflect a commitment to a fairer society. Those personal commitments, rather than the financial ones, are ultimately what will drive the change we need. Thank you.

In 2016 our grant income amounted to £1,111,981 and expenditure amounted to £664,181, of which overheads accounted for 3 per cent.

In 2016 grants were received from:

- EU COFFERS
- EU Enlighten
- EU SMART
- Financial Transparency Coalition
- ICRICT
- Joffe Charitable Trust
- Joseph Rowntree Charitable Trust
- Norad
- Open Knowledge
- Oxfam (International & GB)
- PCS Union

Small grants and donations amounted to £31,746 in 2016.

Risk assessment

To fulfil TJN's objectives, safeguard its staff, and to meet the company's obligations to those who give it funding, the Directors have established a risk management strategy. This strategy comprises: an annual review of the risk register – principal risks and uncertainties that the company faces; the establishment of policies, procedures and systems to mitigate those risks identified in the annual review; and the implementation of procedures designed to minimise or manage any potential impact on the company should those risks materialise.

This work has identified financial sustainability as a medium financial risk for TJN. A key element in the management of financial risk is a regular review of available funds, regular liaisons with existing and potential new donors, and holding costs down to ensure sufficient working capital by the organisation.

Attention has also been focused on risks associated with the external environment, arising from potentially poor public perception and reputation, and potential libel. These risks are managed by ensuring the quality of TJN's analytical work, and having robust internal review mechanisms in place.

We recognise that TJN is vulnerable to being monitored by a wide variety of agencies. While we identify countermeasures and take steps to minimise the risks, we also work on the basis that some monitoring is inevitable and therefore the best defence lies with openness. We aim to operate in an open and transparent manner, and for our internal communications to reflect fully our public positions.

Finally, 2016 saw the emergence of a major risk factor when the UK public voted in an advisory referendum to leave the European Union, by 51.9% to 48.1%. The resulting market turmoil increased significantly the currency risks facing TJN, which we monitor closely and take steps to mitigate where feasible. A more fundamental risk arises because the process to negotiate the UK's exit, if successful, will mean that a solely UK-registered entity will not be eligible for EU research funding. We are actively exploring solutions. Political risks include a potential UK shift towards more extreme tax havenry; although the removal of UK as a blocker from certain EU processes may facilitate greater progress in some areas.

Key points on governance and accountability

The Company bases its procedures on the following key issues:

Funding and financial record keeping

- Funding is accepted only on the basis of no conditionality as to use;
- Complete transparency is required on donations from organisations;
- Donations will not be accepted from organisations holding views that are deemed incompatible with our general ethos;
- Donations from individuals are acknowledged on an anonymous basis;
- Financial systems are open and transparent.

Accountability to stakeholders

- Tax Justice Network Limited is accountable solely to a Board of Executive and Non-Executive Directors appointed by the members of the company.

- Membership of Tax Justice Network Limited is comprised of all staffers who have served a minimum of 12 months paid service.

Financial services, payroll management and insurance

- The Company is provided with financial and accounting services by **Glyn Pritchard** (see also: Administrative data, p.5).
- Payroll services are provided by **Fenside Accounting**, Boston, Lincolnshire, U.K.
- Insurance services are provided by **Fairweather Insurance Services**, Chalfont Saint Peter, Buckinghamshire, U.K.

Sustainability

- The Company aims to minimise waste output and recycle as much waste as possible. Emails are not printed unless there is an absolute requirement for a paper record, and electronic filing records take priority over paper filing.
- The company operates virtually and across multiple time zones, with no requirement to travel into a physical office. Carbon-neutral forms of travel are encouraged where possible, and car use actively discouraged except where strictly necessary.

Equal opportunities

- The Company strives to be an equal opportunities employer.

Pensions policy

- The Company contributes to employee pension funds.

Engagement with stakeholders

- The company aims to respond to written enquiries within 24 hours
- We give priority to promoting policy alternatives to identified systemic failures.
- We give high priority to supporting journalists, writers, broadcasters, etc, in their reporting and analysis of tax justice related issues
- We actively support researchers engaging on tax justice related research.

Whistleblower policy

We are committed to the highest possible standards of transparency, probity and accountability. In line with that commitment we expect employees, and others we work with, who have serious concerns about any aspect of TJN's activities to come forward and voice those concerns.

Our whistleblowing policy applies to all employees, (including those designated as consultants, temporary, agency, authorised volunteers or interns). The policy aims to

provide avenues for an employee to raise concerns in confidence and receive feedback on any action taken, and covers a range of issues, including:

- Conduct which is an offence or a breach of law;
- Disclosures related to miscarriages of justice;
- Health and safety risks, including risks to the public as well as other employees;
- Damage to the environment;
- Unauthorised use of TJN's funds;
- Possible fraud and corruption;
- Sexual or physical abuse of colleagues or those for whom we are providing a service;
- Other unethical conduct

Other issues may also be dealt with under this policy.

Employees and consultants

At 31st December 2016 TJN Ltd employed or engaged the following staff and project consultants on a full or part-time basis:

- **John Christensen**, director, based in Chesham, U.K.;
- **Alex Cobham**, chief executive, based in Oxford, U.K.:
- **Naomi Fowler**, Taxcast producer, based in Sicily;
- **Sara Godfrey**, operations consultant, based in Sydney, Australia
- **Moran Harari**, researcher, based in Tel Aviv;
- **Dan Hind**, editor, *Tax Justice Focus*, based in Kent, U.K.;
- **Marcelo Justo**, journalist, based in London
- **Andres Knobel**, researcher, based in Buenos Aires;
- **Sarah Knott**, media support and secretarial services for GATJ, based in Kent, U.K.;
- **Nick Mathiason**, coordinator of the journalism programmes, based in London (now director of Finance Uncovered)
- **Markus Meinzer**, director, based in Marburg, Germany;
- **Liz Nelson**, director and operations manager, based in Oxford;
- **Marta Nunes**, journalist, based in London

- **Glyn Pritchard**, financial and accounting services, based in Oxford;
- **Nick Shaxson**, writer and researcher, based in Berlin (on sabbatical);
- **Horiana Secara**, researcher, based in Luxembourg (as of 1 December 2016)
- **George Turner**, coordinator, journalist hub programme, based in London.

Directors and Company Secretary

The Directors who served during this period were:

- **John Christensen** (since 2005).
- **Alex Cobham** (since 8 February 2016)
- **Cathy Cross** (non-executive, since 2009)
- **Krishen Mehta** (non-executive, since 2015)
- **Markus Meinzer** (since 2015)
- **Liz Nelson** (since 2013)

Each Director was a guarantor of the Company from the date of their appointment and remained so at the year-end date.

Glyn Pritchard (served as Company Secretary, appointed 1st July 2013)

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and

he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company special provisions

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

This report was approved by the Board on 07 August 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Alex Cobham', followed by a long horizontal line.

Alex Cobham, Chief Executive

Annual Accounts 2016

Tax Justice Network Limited

Independent auditors' report

to the member of Tax Justice Network Limited

We have audited the accounts of Tax Justice Network Limited for the year ended 31 December 2016 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Tony Hobbs

(Senior Statutory Auditor)

for and on behalf of

Chapman, Robinson & Moore Limited

Accountants and Statutory Auditors

7 August 2017

30 Bankside Court

Stationfields

Kidlington

Oxford

OX5 1JE

Tax Justice Network Limited
Income and Expenditure Account
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Income		682,744	740,583
Direct costs		(259,286)	(361,670)
Gross surplus		<u>423,458</u>	<u>378,913</u>
Research, dissemination and administrative expenses		(404,896)	(370,903)
Operating surplus		<u>18,562</u>	<u>8,010</u>
Exceptional items:			
loss incurred on overseas payroll processing		-	(14,642)
Interest receivable		963	1,480
Surplus/(deficit) on ordinary activities before taxation		<u>19,525</u>	<u>(5,152)</u>
Tax on surplus/(deficit) on ordinary activities		-	4,464
Surplus/(deficit) for the financial year		<u>19,525</u>	<u>(688)</u>

Tax Justice Network Limited**Registered number:**

05327824

Balance Sheet**as at 31 December 2016**

	Notes	2016 £	2015 £
Fixed assets	6	1,987	338
Tangible assets			
Current assets			
Debtors	7	190,091	6,590
Cash at bank and in hand		692,560	381,709
		<u>882,651</u>	<u>388,299</u>
Creditors: amounts falling due within one year	8	(823,432)	(346,956)
Net current assets		59,219	41,343
Net assets		<u>61,206</u>	<u>41,681</u>
Capital and reserves		61,206	41,681
Income and expenditure account		<u>61,206</u>	<u>41,681</u>
Member's funds			

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.



Alex Cobham, Chief Executive, Tax Justice Network

Approved by the board on 7 August 2017

Tax Justice Network Limited
Notes to the Accounts
for the year ended 31 December 2016

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents the value, net of value added tax, of work carried out in respect of services provided to the tax justice movement. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer & office equipment	33% straight line
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Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Tax Justice Network Limited
Notes to the Accounts
for the year ended 31 December 2016

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Audit information

These accounts have been audited by Chapman, Robinson & Moore Limited. Their audit report is unqualified and is signed on their behalf by Tony Hobbs, Senior Statutory Auditor.

3 Exceptional items

	2016	2015
	£	£
Exceptional items	-	14,642
	-	14,642

4 Employees

	2016	2015
	Number	Number
Average number of persons employed by the company	8	7

Tax Justice Network Limited
Notes to the Accounts
for the year ended 31 December 2016

5 Taxation	2016	2015
	£	£
UK Corporation tax - provision not required	-	(4,464)
	-	(4,464)
HMRC has confirmed that the company is not subject to Corporation tax.		
6 Tangible fixed assets		
		Plant and machinery etc
		£
Cost		
At 1 January 2016		4,340
Additions		2,044
At 31 December 2016		6,384
Depreciation		
At 1 January 2016		4,002
Charge for the year		395
At 31 December 2016		4,397
Net book value		
At 31 December 2016		1,987
At 31 December 2015		338
7 Debtors	2016	2015
	£	£
Other debtors	190,091	6,590
8 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	-	36,526
Deferred Income	713,647	265,847
Accruals	52,059	7,976
Other taxes and social security costs	547	-
Norad Partnership final payment	57,179	36,607
	823,432	346,956

Tax Justice Network Limited
Notes to the Accounts
for the year ended 31 December 2016

9 Deferred grants	2016 £	2015 £
Deferred Income as at 1st January 2016	265,847	301,212
<u>Income received during year</u>		
Norad	334,343	293,040
Centre for International Policy - Financial Transparency Coalition	120,733	38,383
Joffe Charitable Trust	72,500	75,000
Oxfam Novib	30,260	88,953
Joseph Rowntree Charitable Trust	20,000	40,000
Offshore Game	-	9,500
Anonymous donor	-	50,000
ICRICT Project	7,603	58,837
Institute of Development Studies		22,104
Enlighten Project - EU	6,668	13,780
EU Coffers	456,204	-
PCS Union	9,500	-
Open Knowledge	13,713	-
EU -SMART	8,711	-
Other	31,746	7,610
Total income received during year	1,111,981	697,207
Expenditure during year	664,181	732,572
Deferred Income as at 31st December 2016	<u>713,647</u>	<u>265,847</u>
<u>Deferred income made up as follows</u>		
Centre for International Policy - Financial Transparency Coalition	63,885	109,180
Joffe Charitable Trust	55,579	31,221
Joseph Rowntree Charitable Trust	43,571	53,571
Oxfam Novib	11,371	(11,789)
ICRICT Project	(4,033)	16,354
Anonymous donor	40,025	50,000
Offshore Game	-	823
Norad	19,810	- 9,187
Enlighten Project - EU EU Coffers	- 439,815	-
PCS Union	3,011	-
Open Knowledge	9,309	-
EU -SMART	2,812	-
Small Grants	28,492	7,300
Total deferred income	713,647	265,847

Tax Justice Network Limited
Notes to the Accounts
for the year ended 31 December 2016

10 Income and Expenditure account	2016
	£
At 1 January 2016	41,681
Surplus for the year	19,525
At 31 December 2016	<u>61,206</u>

11 Contingent assets

The Company has made a claim of £27,660 (€31,472) against their previous payroll service provider for misappropriation of funds resulting in an underpayment of the same amount to employees. Extrajudicial negotiations were not successful, and legal advisers are in the process of preparing a lawsuit to recover these sums. The solicitor engaged is of the opinion that Tax Justice Network Ltd is likely to be awarded the full amount claimed by the German courts. Due to the uncertainty surrounding the recoverability of any amount awarded, the directors have decided not to recognise a debtor in the accounts.

12 Contingent liabilities

The company does not have a share capital and is limited by guarantee. In the event of the Company being wound up the maximum amount each member is liable to contribute is £1. There were 11 guarantor members at the balance sheet date.

13 Other information

Tax Justice Network Limited is a private company limited by shares and incorporated in England. Its registered office is:
38 Stanley Avenue
Chesham
Buckinghamshire
HP5 2JG

Tax Justice Network Limited
Detailed income and expenditure account
for the year ended 31 December 2016

	2016	2015
	£	£
Income	682,744	740,583
Direct costs	(259,286)	(361,670)
Gross surplus	<u>423,458</u>	<u>378,913</u>
Research, dissemination and administrative expenses	(404,896)	(370,903)
Operating surplus	<u>18,562</u>	<u>8,010</u>
Exceptional items	-	(14,642)
Interest receivable	963	1,480
Surplus/(deficit) before tax	<u>19,525</u>	<u>(5,152)</u>

Tax Justice Network Limited
Detailed income and expenditure account
for the year ended 31 December 2016

	2016	2015
	£	£
Income		
Grants received	664,181	732,572
Other income	<u>18,563</u>	<u>8,011</u>
	<u>682,744</u>	<u>740,583</u>
 Direct costs		
Research costs	<u>259,286</u>	<u>361,670</u>
 Research, dissemination and administrative expenses		
Employee costs:		
Wages and salaries	112,640	196,501
Directors' salaries	199,816	96,696
Pensions	22,617	12,002
Employer's NI	20,134	21,517
Travel and subsistence	<u>14,680</u>	<u>7,992</u>
	<u>369,887</u>	<u>334,708</u>
Premises costs:		
Light and heat	<u>2,362</u>	<u>1,452</u>
	<u>2,362</u>	<u>1,452</u>
General administrative expenses:		
Telephone and fax	4,718	2,529
Stationery and printing	649	920
Books, journals and research	369	259
Bank charges	325	197
Insurance	649	609
IT expenses	2,927	4,659
Depreciation	395	1,253
Sundry expenses	<u>128</u>	<u>283</u>
	<u>10,160</u>	<u>10,709</u>
Legal and professional costs:		
Audit fees	6,194	4,060
Accountancy fees	13,888	13,145
Solicitors fees	605	5,029
ICT transition and dissemination costs	<u>1,800</u>	<u>1,800</u>
	<u>22,487</u>	<u>24,034</u>
	<u>404,896</u>	<u>370,903</u>