tax justice network

DONATE

annual report 2017

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

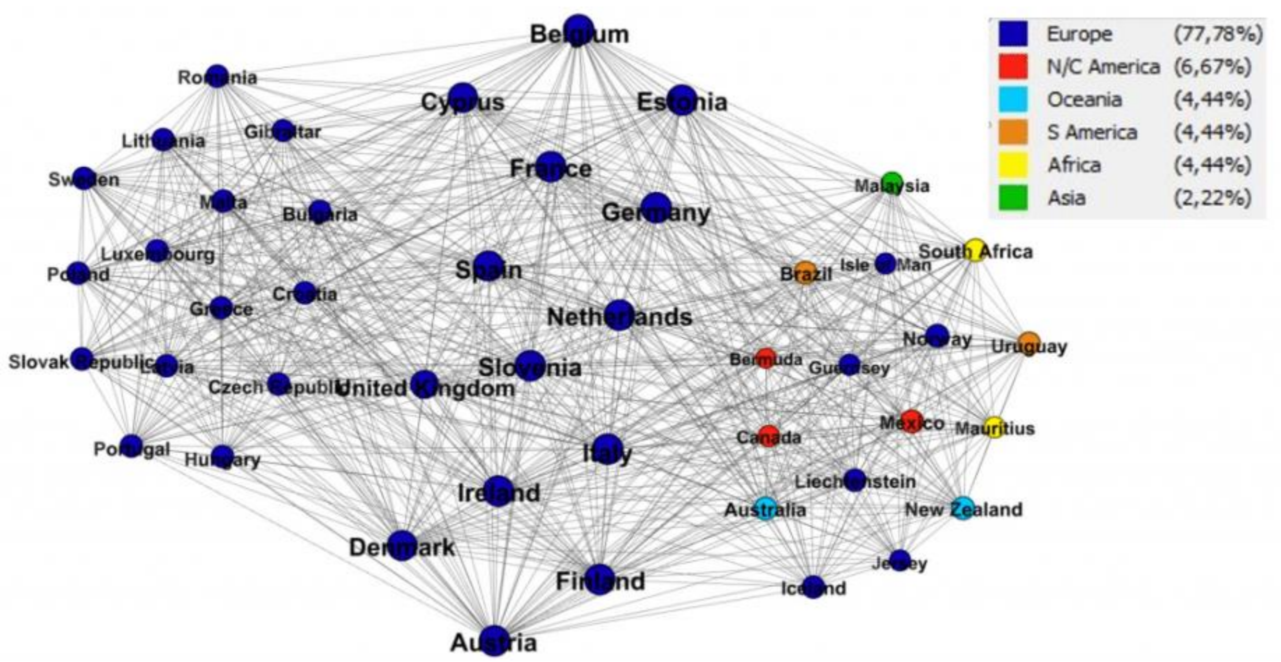
SUCCESS STORIES

EU progress towards public and robust beneficial ownership registers

In December 2017, the EU Parliament and Council reached an agreement on amending the Anti-Money Laundering (AML) Directive, requiring publicly accessible registers of company beneficial ownership by 2020 in every EU member state. This is significant progress compared to the current situation in the EU, where member states are free to restrict access to the register data through a "legitimate interest" test. With respect to trust transparency, the progress is more mixed in the new directive. Here, the registered trust ownership data will continue to be accessible to the public only after a "legitimate interest" test. Yet even this future restricted access is a step forward compared to the status quo, and the scope of trusts to be registered will also be broadened under the new rules. This is welcome, since trusts are enormously problematic legal vehicles that can easily be abused to hide the identity of criminals and their ill-gotten assets, evade and avoid taxes, or shield property from legitimate creditors.

Also at the end of 2017, the final report and recommendations published by the European Parliament's PANA Committee investigating the Panama Papers revelations contained surprisingly robust recommendations, many of which emanated from TJN's previous research. In particular, PANA recommended the lowering of the threshold for defining beneficial owners of companies to those controlling a single share or unit of interest in a company. TJN had pioneered this proposal in a 2016 report and in its 2018 Financial Secrecy Index. Now we expect the EU and the Financial Action Task Force to deliver on this agenda.

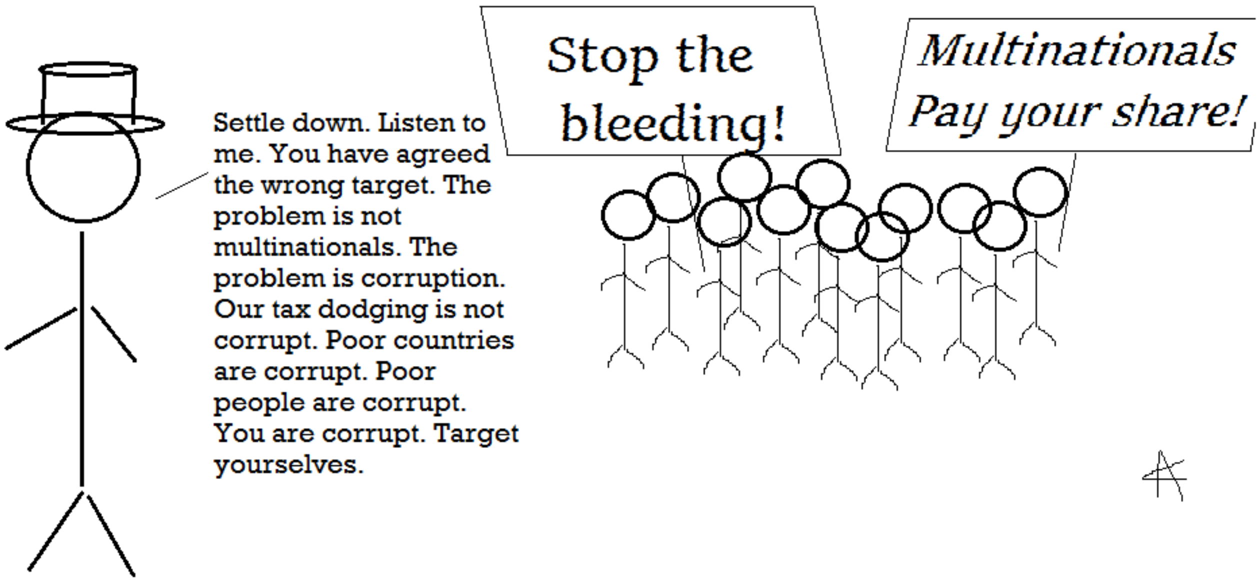
Global progress on automatic information exchange



Source: Rasmus Christensen, by kind permission

TJN was ridiculed for making these proposals in the early days of the 21st century, and yet global automatic exchange of information finally became a reality in 2017, when the first automatic exchanges of bank account information took place pursuant to the OECD's Common Reporting Standard (CRS). In 2017, 49 jurisdictions exchanged information automatically with each other, while 53 other jurisdictions committed to start automatic exchanges in 2018. While there are still no official statistics (which TJN has been calling for since 2014, when the CRS was first published), some countries' unilateral reports look encouraging. For example, Argentina reported receiving information about 35,000 foreign accounts in 2017. But there is more to be done, especially around including lower-income countries.

Profit shifting in the UN Sustainable Development Goals



Over recent years, a number of aid donor countries have blocked all efforts to establish a greater UN presence on the issue of multinational company taxation. But following reports from the African Union/Economic Commission for Africa (the high level panel chaired by Thabo Mbeki), and from the high level panel of eminent persons to the UN Secretary General, a clear consensus emerged for a target in the UN Sustainable Development Goals (SDGs), to curtail illicit financial flows. This reflected consistent engagement of civil society experts and grassroots organisations in the tax justice movement. But as the process to determine specific quantitative indicators for SDG 16.4 got underway, some voices within the wider UN system began to push for a redefinition of the goal that would exclude multinational companies from scope. This culminated in the surprise decision in late 2016 to award custody of 16.4 to the UN Office of Drugs and Crime (UNODC), an organisation with no track record or research or policy analysis on tax evasion, tax avoidance or multinational companies. Tax Justice Network coordinated a letter-writing campaign to the UN Secretary General and others, involving our partners at the Global Alliance for Tax Justice and ICRICT, and raised the alarm to the G77 and others during a presentation to the ECOSOC Financing for Development Forum. Subsequently, the lead UN organisation working on multinational companies, UNCTAD, was installed as co-custodians of 16.4. Tax Justice Network experts were brought into the process to propose indicators that would capture both tax avoidance and tax evasion, with UNODC leading on their expertise in illegal markets. This keeps alive the possibility of meaningful targets to ensure international accountability for curtailing illicit financial flows, including multinational tax avoidance.

ADMINISTRATIVE INFORMATION

Company type	Tax Justice Network Limited is a UK-registered private company limited by guarantee without share capital (a non-profit company)
Company number	05327824
Registered office	38 Stanley Avenue, Chesham, Buckinghamshire, HP5 2JG
Directors	Charles Abugre Akelyira (appointed 8 September 2017) John Christensen Alex Cobham Cathy Cross Kathleen Lahey (appointed 8 September 2017) Markus Meinzer Krishen Mehta Liz Nelson
Secretary	Glyn Pritchard
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*
Auditors	Chapman Robinson and Moore Limited | *30 Bankside Court, Oxford OX5 1JE*
Solicitors	Bates Wells & Braithwaite | *10 Queen Street Place, London EC4R 1BE*

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ending 31 December 2017. 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

This has been an important year for the Tax Justice Network, with major progress against both internal and external benchmarks. Most importantly, we developed our new four year strategy for 2018-2021, discussing and testing it with a range of stakeholders. Alongside this, and as part of a broader process of strengthening the organisation, we have been delighted to introduce new long-term funders including the Adessium Foundation and NORAD, and to confirm the commitment for the whole strategy period of the Ford Foundation. These commitments have allowed us to invest in strengthening our internal systems and processes, expanding the team and providing individuals with a higher level of support to their work; and substantially strengthening our financial position for the future.

We have also benefited from the appointment of two new non-executive directors, adding further world-class tax justice depth to the board in Charles Abugre Akelyira (a Ghanaian economist and chief executive of Ghana's Savannah Accelerated Development Authority, and formerly Africa director of the UN Millennium Challenge Campaign and head of the Africa secretariat of Third World Network); and Prof. Kathleen Lahey (a Canadian professor of law at Queen's University, one of the leading academics and activists in the field of gender and tax justice, and a key expert in related UN processes). A broader governance review has begun and will be concluded in 2018, ensuring that although TJN has grown, we retain both the wider external accountability and the cooperative ethos internally that has always been a key strength of the organisation.

At the same time, 2017 has also seen the emergence of a clearer sense of shared priorities across the wider tax justice movement, following in part from TJN's convening of a global summit in Berlin. There are key roles for the Global Alliance for Tax Justice (GATJ), continuing to engage and support a deep and broad range of civil society – and with whom TJN strategy is now closely aligned; and the Financial Transparency Coalition (FTC), bringing in new southern-based expert organisations and pursuing collaborative expert policy analysis. Other tax justice organisations saw important progress during 2017 also. Finance Uncovered, the illicit finance journalist training network which TJN spun out at the end of 2016 is now fully independent and continues to expand its reach and impact. The Independent Commission for the Reform of International Corporate Taxation (ICRICT) has continued to strengthen its impact, above all in challenging the outdated OECD rules for international tax. The growth of independent but aligned tax justice organisations has also continued, with the establishment of Tax Justice UK meeting a longstanding need.

The Tax Justice Network enters 2018 with a significantly enhanced capacity to deliver long-term progress against global and national tax injustice – coupled with greater clarity on our own organisational priorities for the following four years. The wider tax justice movement, too, is deepening its foundations and strengthening its ability to drive change.

2017 also saw meaningful progress against the four workstreams that underpin our new strategy, which is laid out in full further on in this report.

Programme benchmarks

From South to North, women are largely excluded from the structures and powerful systems that dominate domestic and international fiscal policy and financial architecture. But women's rights and tax justice communities are now uniting to change this, starting with a global meeting TJN convened in Colombia, giving rise to the *Bogota Declaration* which underpins ongoing efforts for greater impact. As part of a more explicit focus of our work on **human rights**, TJN has used 2017 to solidify engagement with the UN Committee for the Elimination of Discrimination Against Women (CEDAW) – including with leading partners the Centre for Economic and Social Rights – and has jointly presented a comprehensive picture of tax justice issues with which the Committee can review and 'filter' State Party reporting. This will be expanded throughout the period of the strategy.

On the **scale of tax injustice**, 2017 has been a landmark year in terms of establishing TJN as an expert contributor and interlocutor for international agencies leading key processes. TJN experts were invited to play significant roles in discussions of illicit financial flows at the UNCTAD Intergovernmental Expert Group and through the UN SDG processes, with the G77 an important and supportive actor in both. This year has also seen the OECD begin to develop the basis for a set of aggregate statistics from country-by-country reporting data, to show global profit shifting – a key milestone to ensure ongoing accountability and scrutiny. TJN has provided expert advice here, and is also working closely with UNCTAD to propose an indicator for UN SDG 16.4 based on the same data. 2017 also saw various peer-reviewed publications by TJN experts, strengthening confidence in the estimated scale of tax losses.

On **financial secrecy**, progress continued across the 'ABC of tax transparency', the policy platform we developed in 2003-05 and which has since come to dominate the international agenda. The first **A**utomatic information exchanges took place under the OECD multilateral instrument in September 2017 – although there is much to do, to ensure full inclusion of lower-income countries. Growing adoption of **B**eneficial ownership transparency included support for public registers for companies, trusts and foundations in the revised EU Anti-Money Laundering Directive (AMLD IV). Proposals for public **C**ountry-by-country reporting continue to be discussed in the EU, and as noted are also a feature of UN and OECD processes. The global media response to the Paradise Papers has once again seen the Financial Secrecy Index (FSI) widely cited; and in more specific policy terms, so too has the EU publication of a 'blacklist' of non-cooperative jurisdictions. A particular impact has been the use of the index by third parties in highlighting the failure of the USA to meet the rising standards of financial transparency.

Last but far from least, 2017 has been a year of preparation for the workstream on the **race to the bottom** – keep your eyes open for the follow-up book to *Treasure Islands*, and the follow-up documentary to *The Spider's Web*…

Alex Cobham
Chief Executive, Tax Justice Network

Objectives and activities

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.

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, producing detailed reports and analysis, and disseminating the products of our work – publicly challenging established positions.

We have a small core of highly motivated staff, surrounded by a range of academics, professionals and other experts in a range of different fields. We draw on our collective expertise to research, design and push original and agenda-setting positions. We are collaborative and collegiate, opening up new spaces for others to enter. We challenge conventional wisdom, we relish lively debate, and our work gets media attention. We take informed but uncompromising positions on current news and issues, based on the evidence.

We develop projects that build new alliances around our focus issues. We support others to adopt new thinking and to take on our shared counter-narrative within their own strategies, freeing us to explore as yet unchallenged issues and orthodoxy. We seek to influence and encourage people by playing the role of think tank, incubator and enabler.

2018-2021 strategy

Over the next four years, TJN will look to expand its work programme and build on and strengthen the organisation's systems, processes and procedures.

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

It is little more than two years since we faced a funding crunch that required directors to consider not taking their full salaries. We are resolved never again to risk in this way the future of TJN, or its role at the heart of an important movement challenging global inequalities. Having strengthened substantially since, we aim over the next four years to attain a position that guarantees continuity.

To that end, we seek to align a diverse base of funders providing general support, with a single line of reporting on the calendar year, on the basis of our strategic plan; and to build reserves of up to a year of operating costs. We will also put in place for the first time a layer of support staff which will free up both staff and directors to focus on our mission.

Over the next four years, we expect to have made demonstrable progress in 'changing the weather' on critical public narratives around tax and tax justice; to have achieved clear successes in the international implementation of the policy platform of the ABC of tax transparency, to the verifiable benefit of lower-income countries in particular and their citizens; and to have contributed to the development both of a fairer international architecture for tax policymaking, and to the next generation of tax justice policies.

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

2018 and beyond will see TJN focus its policy and research expertise on four strategic areas: financial secrecy, the scale of tax injustice, tax justice and human rights, and the race to the bottom. The next section summarises the progress made in establishing these four workstreams in 2017, and our underlying media and communications outreach work.

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

Main activities in 2017

Financial secrecy

The key piece of the Financial Secrecy programme is the work on the publication of the 2018 Financial Secrecy Index (FSI).

The FSI is funded by the EU's COFFERS project (Combatting Fiscal Fraud and Empowering Regulators), which seeks to address deficiencies in fiscal systems by identifying opportunities for upgrading tax law, tax policy development, tax administration and enforcement at the EU level and across Member States, tracking the tax gap and regulatory innovation, tracing how expert networks, jurisdictions and taxpayers adapt to and negotiate rapid evolutionary change, and transmitting forward looking risk assessment and policy advice to intervene in that evolutionary process.

The 2018 edition of the FSI extended the index's coverage to 112 jurisdictions for the first time, and has included a comprehensive review of methodology. We have substantially increased the number of Key Financial Secrecy Indicators to 20 (from 15) and implemented many changes that have been suggested during our stakeholder survey in 2016. Many of the indicators are either exploring new uncharted waters (e.g. comparative freeport and public real estate registry research) or drilling deeper into existing indicators.

We plan to work with the Global Alliance and partners from different countries to extend the major media coverage that the launch will receive, and to support associated national-level advocacy efforts. This includes the delivery of training, e.g. by several webinars, and sustained support to media. Policy opportunities will arise most immediately around the EU's 'tax haven' blacklist, to which the FSI provides a powerful, analytically rigorous alternative.

The launch of the FSI was postponed from November 2017 to January 2018 to accommodate a substantial change of methodology, and because of the late availability of data sources.

For the first time the FSI launch will run alongside a NORAD-funded project, Financial Secrecy and Tax Advocacy in Africa (FASTA). FASTA consists of a TJN research hub in Africa that will act as a transmission belt for applied research around financial secrecy and corporate tax avoidance, both of which are relevant for combating illicit financial flows. That hub consists mainly of TJN-staffers working from Malawi and the Ivory Coast, who will form part of the core research team at TJN around the Financial Secrecy Index (FSI) and the prospective complementary Corporate Tax Haven Index (CTHI).

The FASTA project also consists of two journalist hubs. One will target francophone Africa and the other, already established, is targeting Arabic-speaking countries using standard Arabic suitable for the entire MENA region.

FSI18's development has drawn on technical engagement from the European Commission's Index Research Group, and this additional layer of review continues to grow use of the Index in academic research and policy risk measures.

The scale of tax injustice

In advocacy terms, the major TJN impact in 2017 has been our leadership of the movement in seeking to defend the inclusion of tax avoidance in the Sustainable Development Goal indicators, and specifically in SDG 16.4 on illicit financial flows. A coordinated high-level letter campaign saw initial attempts to exclude multinational companies from the scope of 16.4 defeated, and UNCTAD established as a second lead agency alongside UNODC in work to determine the indicators. TJN is now working closely with UNCTAD in both the SDG process and to support the new Intergovernmental Expert Working Group (in which the G77 are important actors), providing a powerful platform to maintain tax justice issues in the SDGs and on the wider UN agenda.

On the research side, ongoing successes in publishing estimates of the scale of multinational profit shifting, and the role of major accounting firms, have raised the profile of both TJN and our arguments (e.g. on relatively higher exposure of lower-income countries; and on policy proposals including country-by-country reporting):

- C. Jones, Y. Temouri & A. Cobham, 2018, 'Tax haven networks and the role of the Big 4 accountancy firms', Journal of World Business
- A. Cobham & P. Janský, 2018, 'Global distribution of revenue loss from tax avoidance: Re-estimation and country results', forthcoming Journal of International Development
- A. Cobham & P. Janský, 2017, 'Measuring Misalignment: The location of US multinationals' economic activity versus the location of their profits', Development Policy Review

Two major publications have been somewhat delayed due to the necessary diversion of resources to support our successes in the SDG 16.4 policy debates, and in support of the Paradise Papers data leak and associated opportunities including research for a European Parliamentary grouping. First, the release of a series of openly published chapters, critically analysing the current state of knowledge in respect of the leading global and national-level estimates of scale and tax losses due to illicit financial flows, will now begin in January 2018. This builds on a well-established base of TJN research in this area, and should provide a valuable resource for researchers and activists internationally. Second, continuing work on an open database of multinationals' country-by-country reporting (CBCR) – which will form a valuable part of the open data infrastructure, a key tool for researchers, activists and journalists, and over time, as the obvious place for more transparent multinationals to choose to report – has been delayed to later in 2018.

The ongoing preparatory work for the CBCR open database has itself had a positive impact by providing the basis for the targeted technical lobbying to improve the European Parliament position on the Open Data component of public CBCR support; and it has provided the basis for TJN's ongoing technical engagement, including an invitation to TJN to participate in a small expert group to develop a CBCR standard as part of the Global Reporting Initiative (GRI). The GRI provides a helpful intervention as it brings together key private sector actors (including accounting firms and multinational companies) with labour representatives and academics. Investors working with the UN Principles for Responsible Investment (UN PRI) are also increasingly active in their advocacy for public reporting. Finally, the groundwork undertaken on the Open Database has provided direct input to OECD processes to develop partially aggregated CBCR statistics for their annual publication in fulfilment of BEPS Action 11 (BEPS Action 11 is the OECD's reporting mechanism for the BEPS progress overall) – which in turn has supported our policy proposals and advocacy in respect of SDG 16.4.

Tax justice and human rights

We have used the first year of the Ford Foundation's grant to build capacity in three ways. First, by developing our approach to network building and looking beyond our networks to seemingly disparate organisations to develop an agenda where tax justice issues positively impact human rights. In June 2017 we collaborated with Friedrich-Ebert-Stiftung (Colombia), Public Services International and the Global Alliance for Tax Justice to convene with global researchers, advocates and activists to explore and establish common values, strategies and goals that charted progress and began to draw a cohesive and deliverable strategy leading towards the normative standards.

The Bogota conference (June 2017) took as its theme 'Tax Justice for Women's Rights'. This marked an important moment and 'footprint' in collaboration with women's rights organisations. More than seventy women, coming from all corners of the globe - Venezuela to Vietnam, Uruguay to Uganda, Bogotá to Brussels – illustrated through case studies, research and the sharing of activist campaigns, the full range of women's rights that they are denied. Actors attending from both women's rights and tax justice organisations included AWID, CESR, DAWN, FemNet, Gender & Development Network, the Bretton Woods Project, and SEATINI. Presented in English, Spanish, Portuguese, French, Arabic and Swahili, the Bogotá Declaration on Tax Justice for Women's Rights is being launched around the world on 7 December 2017 through online platforms and at tax justice events in Argentina and Chile. To date some 150 organisations have signed the Declaration.

In March 2017 we engaged UN CSW meetings in New York, in particular by moderating and contributing to a session on tax justice and gender equality.

The Committee for the Elimination of Discrimination Against Women (CEDAW) is important to our work on tax justice for women's rights. Started in 2016 with the Center for Economic and Social Rights and NYU Global Justice Center, our engagement with CEDAW is providing a helpful model and focus for our work. Following our collaborative shadow on Switzerland's financial secrecy laws and potential 'spillover' effects on the rights of women, the CEDAW Committee invited us to present to them the full range of tax justice issues impacting on the rights of women, and has valuably provided a model by which civil society from a range of countries might present 'shadow reports' as state parties are scheduled for periodic reporting.

Thirdly, we have begun to develop a resource hub that builds a body of case studies in constitutional law and international human rights law, which can be developed into accessible advocacy materials. This will be supported by a series of podcasts to be published in 2018 and beyond.

Race to the bottom

The Race to the Bottom programme has continued to build a network of engaged academic and other researchers using robust evidence to challenge the rhetoric around tax and regulatory competition. Key activities in support of the programme comprised:

'The Finance Curse' is a full journalistic explanation of the origins, nature and damage caused by this political economic phenomenon, examining how it damages democratic accountability and propels race-to-the-bottom dynamics. The book has been researched and authored by Nicholas Shaxson. There will be a UK edition and a US edition. The first draft will be delivered to the publishers by the end of 2017. The book is on target to be published in the second half of 2018 and thereafter will hopefully be translated into several languages.

A collaborative Sheffield (University) Political Economy Research Institute (SPERI) and TJN research workshop was held in November 2017. A research community is being built, bringing together scholars from Belgium, Denmark, France, Germany, Ireland, Netherlands, UK and USA.

During 2017 John Christensen has lectured on tax competition in Amsterdam, Brussels, Budapest, London, Ljubljana, Luxembourg, Osnabrück and Toulouse.

Research and preparation for a new film on the 'Finance Curse' directed by Michael Oswald was started in June 2017, with a production team including John Christensen. The film went into production in December 2017. A film synopsis will be finalised in January 2018. Funding has been raised to cover production costs.

An important and immediate outcome of the 'Race to the Bottom' work has been that the SPERI/TJN workshop has attracted much scholarly interest, and plans are being formulated to publish a selection of papers from that workshop in a special edition of an international political economics journal.

Some key outputs have been an explanatory short video and the SPERI/TJN workshop, which was filmed by TJN and will be made available online, including Professor Jerry Epstein's keynote speech.

To take the work to the next stage, a funding bid is being prepared by SPERI and academic partners to proceed with further research. In addition, PERI (at University of Massachusetts, Amherst) and SPERI (Sheffield) have agreed to work with TJN on a specific piece of empirical research building on Jerry Epstein's 2016 paper Overcharged: The High Cost of High Finance.

The Spider's Web film premiered in London at the Frontline Club in July 2017, and subsequently screened in London as part of the *Ten Years After the Crash* events in September 2017. Further screenings have taken place in Europe, the USA and Africa. *The Spider's Web* was co-produced by TJN's John Christensen, and features many contributions from Tax Justice Network collaborators. The film tells the story of London's emergence in the post-British Empire as the beating heart of a network of tax havens spanning the globe.

Media and communications

We have undertaken a partial redesign of our website, and have reflected our new strategic programmes within the web page and navigation structure.

We recorded over 5,200 individual pieces of coverage in the global media in 2017, with a particular spike after the release of the Paradise Papers in November. However, the focus of our communications work in 2017 has been to enhance our web and social media presence (see below).

In the coming year we want to further analyse the communications data we receive from Twitter, Facebook and our media monitoring agency for global magazine and newspaper sites, and better understand how to optimise our coverage and reach with blogs and web and broadcast material.

Social media engagement 2017

Twitter

4,243,656 impressions (12,022 per day)

64,298 engagements (680 replies, 12,414 retweets, 1,380 RTs with comments, 9,694 likes)

23,352 clicks

20,848 followers

1,985 tweets and 6,195 mentions

Facebook

390,721 impressions (546 users per day)

4,327 engagements (2,933 reactions, 120 comments, 1,274 shares)

5,164 clicks

10,075 fans

207 posts

The Taxcast (our monthly podcast and radio show) has continued to develop, providing high quality news, features and diverse commentary on a range of tax justice issues, but specifically providing new perspectives to support our strategic policy goals and programmes. Highlights of this year have included interviews with Pulitzer prize-winning journalists from the International Consortium of Investigative Journalists, Frederik Obermaier, Bastian Obermayer (see Panama and Paradise Papers) and Jake Bernstein. Other interviewees have included Berkeley University's Vanessa Ogle on tax havens and decolonisation, and economist Henry Leveson-Gower of Promoting Economic Pluralism.

The Taxcast has had a larger take-up this year by radio stations, averaging around 15 broadcasters a month. Radio audiences are notoriously difficult to estimate, but if we conservatively put a 5,000 'listener' figure for each station, that gives us a 75,000 listenership. Our Spanish language podcast and radio show, *Justicia ImPositiva* (launched in July 2016), has expanded its audience reach still further, with additional radio stations across Latin America broadcasting the programme to their listeners. Our biggest distributor of the programme, the Latin American Association for Educational Radio, retransmits it each month to 85 radio stations across the region, with an estimated audience reach of one million listeners.

Funding

Our funds come from a variety of sources: foundations, research grants, governments, NGOs and individuals.

We are grateful for all, regardless of 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 changes that we seek. Thank you.

In 2017 our overall income amounted to £944,020 (£928,291 from grants, and £15,729 from other income). Grants were received from:

- Ford Foundation (BUILD)
- Ford Foundation (ICRICT)
- Adessium Foundation
- Norad
- EU SMART
- Financial Transparency Coalition

Full list of current grants as of 31 December 2017

Note: this list includes grants that were disbursed to TJN either before or after 2017, and so do not appear in our accounts, but where the performance period of the grant includes some or all of the year 2017. 'Value' refers to the total value of the grant over the entire grant period.

Grant	*Funder*	*Value*	*Starts*	*Ends*
Core funding	Adessium	£261,000	07/2017	06/2020
Combating Fiscal Fraud and Empowering Regulators (COFFERS)	EU	£619,160	11/2016	10/2019
European legitimacy in governing through hard times: the role of European networks (ENLIGHTEN)	EU	£37,850	04/2015	03/2018
Sustainable Market Actors for Responsible Trade (SMART)	EU	£26,100	03/2016	02/2020
Building Institutions and Networks (BUILD), Year 1	Ford	£355,000	11/2016	10/2017
Independent Commission for the Reform of International Corporate Taxation (ICRICT)	Ford	£177,500	01/2017	12/2018
Financial Secrecy and Tax Advocacy in Africa (FASTA)	Norad	£655,200	03/2017	03/2020
Tax Avoidance by Tobacco Companies	Campaign for Tobacco-Free Kids	£35,479	12/2017	06/2018

Monitoring, evaluation and learning

Monitoring, evaluation and learning activities are undertaken at TJN in pursuit of the following organisational objectives:

- Ensuring that TJN's activities (outputs) are implemented as intended
- Assessing the extent to which TJN's activities are leading to policy and systemic changes (outcomes and impacts)
- Learning what works well and what does not, and making project- and organisational-level changes as needed
- Providing accountability to current donors and partners
- Demonstrating impact and cost-effectiveness to prospective donors and partners

TJN understands and accepts the challenges and inherent limitations in measuring and attributing impacts of advocacy and policy projects (especially those that aim to shift narratives). Notwithstanding these issues, TJN intends to invest the necessary resources and effort in designing and implementing a monitoring, evaluation and learning framework that goes as far as possible in enabling TJN and other stakeholders to identify the extent to which TJN's objectives have been achieved, and the relative contributions made to those objectives by TJN, other actors and wider systemic changes.

Our monitoring, evaluation and learning framework is published online as part of our 2018-21 strategy.

While there is a plan in place to have implemented all of the outputs listed in this document and in the accompanying organisational strategy for the same period by the end of 2021, TJN does not expect to have achieved all of the resulting outcomes and impacts by this date.

The intended medium-term outcome for the four types of output (research, policy, advocacy and campaigns) is policy change. The long-term impact is to change the predominant global narrative (the 'weather') on each target issue.

This progression will not always be linear, however. In some cases (such as the ABC measures of tax transparency), policy change by 2021 seems achievable, but it is much harder to assess whether it is realistic to expect to have changed the global narrative on this issue within the same timeframe.

In others (such as the 'race to the bottom' on competitiveness or human rights), wide-ranging policy changes in the medium term seem unlikely, but there may be scope to make significant progress in changing narratives within the next four to five years.

The potential for different TJN projects to progress at different rates and by different routes necessitates a level of flexibility when designing and interpreting this framework and the theory of change that underpins it.

Ecosystem role

A key part of TJN's value to the wider tax justice ecosystem lies in our ability to provide intellectual leadership and to facilitate powerful collaboration through a range of networks. Strengthening this area has been an important part of this year's work.

In 2017 TJN convened a global meeting of the leading actors in the wider tax justice ecosystem. The meeting, held in Berlin and hosted by the Friedrich-Ebert-Stiftung, was highly valuable in terms of the 'softer' benefits of building relationships and understanding regional and organisational perspectives. More tangibly, it opened an opportunity for deeper thinking and for closer alignment between the strategies of TJN and of the Global Alliance for Tax Justice (GATJ). The convening brought together GATJ and the Financial Transparency Coalition, together with their respective coordinating committee members, committed partners and funders (e.g. T/AI). The aim of the meeting was to explore together the extent of common aims, and the potential for a more effective collaboration in pursuit of these.

TJN's Chief Executive played a key role before, during and after the convening to support an inclusive approach to the discussions and to take 'soundings' from various parties to the discussions, in order to achieve parity in both the depth of contribution and design of the meeting. This helped to ensure alignment and an important level of complementarity with the wider tax justice movement. High quality external facilitation played a critical role in supporting a creative and engaged forum for discussion. The event addressed aspirational, conceptual and practical issues, including an assessment of the overall context and possible futures for the movement.

The meeting identified a range of possible future configurations for the FTC and GATJ organisations (including changes in scale and focus, ways of working and thematic focus). The efforts to find practical solutions for 'coming together' included agreement on the creation of online closed sites in which we can share our plans with one another, and to find ways of being more mutually responsive to help with generating urgent research and policy analysis to support specific campaigns. While the FTC remains in transition, TJN continues to dedicate substantial capacity to support these efforts.

With GATJ developing strongly, closer collaboration and greater alignment of plans is likely to yield significant benefits in terms of greater impact over the medium term. The alignment reflects the areas of work that partners prioritised for the movement, as follows:

- Creation of a UN tax body
- Public country-by-country reporting and beneficial ownership information
- Taxing wealth and challenging tax breaks
- Engaging national movements

Partner organisations also charted a course (including practical steps) for future progress, many of which are central to the combined GATJ and TJN strategies:

- Hold an annual research conference that brings together all the researchers working in this field

- More coordination of research initiatives and the development of long-term sustainable research
- Set up GATJ working groups on` taxing the rich and wealth' and on `climate change and taxation'
- Circulate more information on GATJ working groups to all participants
- Reach out to organisations that have not participated in this gathering (e.g. women-led and feminist-led organisations working on tax justice issues)

Network strengthening

Support from the Ford Foundation's BUILD programme this year has supported us to review our networking across a range of areas, and to initiate some key steps to improve our collaboration and impact.

National and regional tax justice networks. Establishing a consistent mode of relationship with national and regional tax justice networks is an important feature of shaping our evolving identity. In the last twelve months, three independent national networks have been launched, all with a degree of support from TJN. In November 2016, TJN and Public Services International supported the launch of Tax Justice Japan. This was followed by the launch of Tax Justice UK in May 2017, and in October 2017 a meeting of Italy's leading anti-corruption, anti-poverty campaigners and investigative journalists was held in Rome to find a way forward to establish TJN-Italia, which plans to hold its inaugural meeting in 2018. Finally, in 2018 a revitalised tax justice platform is being developed in the form of Tax Justice Network Netherlands.

We will be supporting this growing community through the newly established post at TJN of Network Coordinator, starting in April 2018. Through this post we will provide greater capacity for cross-fertilising, supporting the exchange of best practice, establishing mutual accountability and generally strengthening our ability to sit at the heart of the broader movement. We will use the intelligence from this coordinating role to feed into a broader monitoring and learning process, to improve the impact of TJN support to these important actors in the wider movement.

We have adopted a more proactive approach to engage our current cohort of *Senior Advisers* and during 2017 have more consistently sought their views, via email lists, to peer review new policy positions. A board review of diversity has also begun to address the diversity of our Senior Advisers, and in this respect we have recruited one new adviser, which goes some way to address gender balance, although this will continue to be a focus for improvement. The Network Coordinator will further map and analyse the support and coordination needs of the Senior Advisers.

Research networks. We continued to raise our academic research profile in 2017 by increasing targeted efforts to encourage deeper participation in our very successful research conference, held at City University London in July 2017. We had some excellent feedback: *"the topics discussed [were] enriching and the networking opportunities amazing"*; and some 'flares' to direct us for the 2018 Research conference in Lima: *"world experts in the room but still the space for others to contribute to the debate."* We have forged a new alliance with the Sheffield Economic Research Policy Institute (SPERI), and developed a seminar with them in which TJN's research was central to an emerging 'over the horizon' policy research agenda (see further details below). A number of peer-reviewed journal publications have also added to our research profile, in addition to teaching for the International Centre for Tax & Development (a short course on 'Tax and Transparency' in August 2017). 2017 also saw increased numbers of invitations to collaborate in research funding proposals, including with the Dickson Poon School of Law, King's College London and Nairobi University as part of a proposal that aims to establish the KCL African Hub of Fiscal Governance and Development; and an application with Sussex University for DFID/British Academy research grant funding in support of the 'Scale of Tax Injustice' programme. Decisions are due in 2018. Together with our research collaboration as part of the EU COFFERS consortium project including Utrecht, Copenhagen and City universities, our research network has grown significantly and will continue to do so. In 2018 we will be looking to target this area of our work for ongoing monitoring and learning, and to establish the means by which these different strands of research enhance and cross-fertilise each other in support of our strategic goals, in order to prioritise our resources.

Systems strengthening

During this first year of our five-year planning period, we wanted to find solutions or answers to a number of governance and legal questions. We have explored ways to ensure that we maintain our global identity; that the diversity of our network is fully reflected in our decision-making and accountability; and that we are able to identify and respond to challenges and opportunities wherever they may arise.

During 2017 we developed a process to identify and recruit two additional non-executive directors, bringing greater diversity in expertise, culture and geographic representation. Two non-executives were appointed, Charles Abugre Akelyira and Kathleen Lahey, strengthening the board with their international and UN networks and with knowledge, respectively, of African economic policy and of legal frameworks of tax and gender equality. Recruitment of the two further board members provided an opportunity to begin to access new constituents and to offer representation of historically excluded groups.

As part of our strengthening activity, and with additional funding provided by the Adessium Foundation, we commissioned an evaluation of TJN's governance: specifically, to assess the advantages, disadvantages, risks and opportunities of the current governance structure, to assure the robustness of decision-making and dispute resolution procedures, and to consider the optimum size and configuration for the governing board.

In March 2017 we appointed a consultant to develop a fundraising strategy, containing recommendations about how best to strengthen our fundraising approach, as well as advice on specific funders. Several conversations with potential funders have already taken place on the basis of recommendations made in the report. From

January 2018 we will also have increased fundraising capacity, as the incoming Head of Operations will be partly focused on identifying and approaching funders, and producing concept notes and funding proposals. This role will also bring valuable capacity for the key priorities of institutional strengthening and administrative system development (see below).

Our first annual board retreat in July 2017 served to establish the new board identity, to provide an induction on our strategic work programmes, finalisation of the organisational strategy and a deeper assessment of our capacity-building needs. The discussions and analysis of organisational strengthening identified four priorities:

- A comprehensive review of staff remuneration, benefits and working conditions
- Recruitment of a Head of Operations and administrative support
- Additional research and advocacy capacity for the 'Scale' and 'Human Rights' programmes
- Recruitment of a Network Coordinator

Over the course of the year we have invested in upgrading and/or introducing a number of software applications to strengthen our internal and external communications and our administrative capacity. We have also identified areas for further improvements in 2018, including the introduction of cloud-based internal communications, project and contact management, database and accounting systems.

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.

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.

Governance and accountability

Funding and financial record keeping

- Funding is accepted only on the basis of no conditionality as to use.
- As of 2018, we will not accept anonymous donations, whether from organisations or individuals, of over £1,000 per year (and we will publish the names of all donors giving over this amount). We have not accepted any significant anonymous donations since 2015.
- Donations will not be accepted from organisations holding views that are deemed incompatible with our general ethos.
- The company's financial systems are open and transparent.

Accountability to stakeholders

- Tax Justice Network Limited is accountable to a board of directors appointed by the members of the company.
- The members of Tax Justice Network Limited are all employees and contractors who have served a minimum of 12 months' paid service.

Financial services, payroll and insurance

- The company is provided with financial and accounting services by **Glyn Pritchard** (see 'administrative information').
- Payroll services are provided by **Fenside Accounting,** Boston, Lincolnshire, United Kingdom.
- Insurance services are provided by **Fairweather Insurance Services**, Chalfont Saint Peter, Buckinghamshire, United Kingdom.

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.
- A compensation and benefits review is being launched in 2018 to ensure that all staff are treated equally and fairly. We also plan to conduct an equality impact assessment that will look at a range of issues, including our recruitment practices.

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.

Policies

- All staff are required to abide by our code of conduct, which includes grievance and disciplinary policies and a whistleblowing policy, as well as our finance and expenses policies.
- We comply with all relevant pensions and social security requirements in the countries where we employ staff, including pension auto-enrolment for UK staff.
- We plan to review our data protection policy so that it is compliant with the forthcoming GDPR regulation in 2018.

Employees and consultants

At 31 December 2017, Tax Justice Network Limited employed or engaged the following staff and project consultants on a full or part-time basis:

- John Christensen, director, based in Chesham, UK
- Alex Cobham, chief executive, based in Oxford, UK
- Naomi Fowler, Taxcast producer, based in Sicily
- Moran Harari, researcher, based in Tel Aviv, Israel
- Dan Hind, editor, *Tax Justice Focus*, based in Kent, UK
- Marcelo Justo, journalist, based in London, UK
- Andres Knobel, researcher, based in Buenos Aires, Argentina
- Sarah Knott, media support, based in Kent, UK
- Markus Meinzer, director, based in Marburg, Germany
- Fariya Mohiuddin, strategic programmes assistant, based in London, UK
- Liz Nelson, director, based in Oxford, UK
- Marta Nunes, journalist, based in London, UK
- Glyn Pritchard, financial and accounting services, based in Oxford, UK
- Horiana Secara, researcher, based in Luxembourg
- Nick Shaxson, writer and researcher, based in Berlin, Germany (on sabbatical)
- Will Snell, head of operations, based in London, UK
- George Turner, researcher and writer, based in London, UK

Statement of directors' responsibilities

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

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

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

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

Statement as to disclosure of information to auditors

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

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

This report was approved by the Board on 5 June 2018 and signed on its behalf.

Alex Cobham, Chief Executive

ANNUAL ACCOUNTS

Report of the independent auditors

Opinion

We have audited the financial statements of Tax Justice Network Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its surplus 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant

doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

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 financial statements 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 the directors determine 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our Report of the Auditors.

Alan Sowden (Senior Statutory Auditor)
for and on behalf of Chapman Robinson and Moore Limited
30 Bankside Court
Stationfields
Kidlington
Oxford
OX5 1JE

5 June 2018

Note:

The maintenance and integrity of the Tax Justice Network Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Income statement

For the year ended 31 December 2017

	Notes	31/12/2017 £	31/12/2016 £
TURNOVER		944,020	682,744
Cost of sales		258,198	259,286
GROSS SURPLUS		685,822	423,458
Administrative expenses		541,738	404,896
OPERATING SURPLUS	4	144,084	18,562
Interest receivable and similar income		936	963
SURPLUS BEFORE TAXATION		145,020	19,525
Tax on surplus		-	-
SURPLUS FOR THE FINANCIAL YEAR		145,020	19,525

The notes form part of these financial statements

Balance sheet

31 December 2017

		31/12/2017		31/12/2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	6		9,460		1,987
CURRENT ASSETS					
Debtors	7	3,798		190,091	
Cash at bank		931,305		692,560	
		935,103		882,651	
CREDITORS					
Amounts falling due within one year	8	738,337		823,432	
NET CURRENT ASSETS			196,766		59,219
TOTAL ASSETS LESS CURRENT LIABILITIES			206,226		61,206
RESERVES					
Income and expenditure account			206,226		61,206
			206,226		61,206

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 5 June 2018 and were signed on its behalf by:

Alex Cobham, Chief Executive

The notes form part of these financial statements

Notes to the financial statements

for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

Tax Justice Network Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer & office equipment	33% straight line

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2016 - 8).

4. OPERATING SURPLUS

The operating surplus is stated after charging:

	31/12/2017	31/12/2016
	£	£
Depreciation - owned assets	4,758	395
Auditors' remuneration	5,808	6,194
Pension costs	30,718	22,617

5. EXCEPTIONAL ITEMS

	31/12/2017	31/12/2016
	£	£
Exceptional items	(15,604)	0

This represents unpaid overseas statutory remittances which were misappropriated by a payroll manager at the payroll bureau used by the organisation for its German payroll function. The misappropriation has resulted in a loss of £15,604 being recorded. Legal action is being taken to recover the amount misappropriated, but due to the uncertainty of the recovery of any amount awarded, the directors have decided not to recognise a debtor in the accounts.

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST	
At 1 January 2017	6,384
Additions	12,231
At 31 December 2017	18,615
DEPRECIATION	
At 1 January 2017	4,397
Charge for year	4,758
At 31 December 2017	9,155
NET BOOK VALUE	
At 31 December 2017	9,460
At 31 December 2016	1,987

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2017	31/12/2016
	£	£
Other debtors	3,798	190,091

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/2017	31/12/2016
	£	£
Social security and other taxes	267	547
NORAD final payment	22,430	57,179
Accruals and deferred income	48,920	52,059
Deferred income	666,720	713,647
	738,337	823,432

9. 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 15 guarantor members at the balance sheet date.

10. DEFERRED INCOME

	31/12/2017	31/12/2016
	£	£
Deferred Income as at 1 January 2017	713,647	265,847
Income received during year		
Norad	-181	334,343
Centre for International Policy (Financial Transparency Coalition)	56,406	120,733
Joffe Charitable Trust	-	72,500
Oxfam Novib	-	30,260
Joseph Rowntree Charitable Trust	-	20,000
Ford Foundation	410,402	-
Adessium Foundation	65,252	-
ICRICT project	100,387	7,603
Norad (FASTA project)	225,634	-
EU Enlighten project	-	6,668
EU COFFERS	-	456,204
PCS Union	-	9,500
Open Knowledge	-	13,713

	31/12/2017	31/12/2016
	£	£
EU SMART	8,494	8,711
Other	14,971	31,746
Total income received during year	881,365	1,111,981
Expenditure during year	928,292	664,181
Deferred Income as at 31 December 2017	666,720	713,647
Deferred income made up as follows:		
Centre for International Policy (Financial Transparency Coalition)	28,304	63,885
Joffe Charitable Trust	-	55,579
Joseph Rowntree Charitable Trust	-	43,571
Oxfam Novib	11,371	11,371
ICRICT project	20,375	-4,033
RH Southern Trust	40,025	40,025
Ford Foundation	-	-
Adessium Foundation	65,252	-
Norad	-	19,810
Norad (FASTA project)	214,328	-
EU COFFERS	255,171	439,815
PCS Union	-	3,011
Open Knowledge	7,061	9,309
EU SMART	3,105	2,812
Small Grants	21,728	28,492
Total deferred income	666,720	713,647

Detailed Income and Expenditure Account

For the year ended 31 December 2017

	31/12/2017		31/12/2016	
	£	£	£	£
Turnover				
Grants received	928,291		664,181	
Other income	15,729		18,563	
		944,020		682,744
Cost of sales				
Research costs		258,198		259,286
GROSS SURPLUS		685,822		423,458
Other income				
Deposit account interest		936		963
		686,758		424,421
Expenditure				
Rent	1,500		-	
Insurance	885		649	
Light and heat	597		2,362	
Directors' salaries	194,683		199,816	
Wages	215,545		112,640	
Social security	27,793		20,134	
Pensions	30,718		22,617	
Telephone	2,753		4,718	
Post and stationery	1,283		649	
Advertising	7,663		-	
Travelling	14,044		14,680	
Books, journals and research	-		369	
ICT transition and dissemination	-		1,800	
Computer costs	5,447		2,927	

	31/12/2017		31/12/2016	
	£	£	£	£
Sundry expenses	2,179		128	
Accountancy	18,867		13,888	
Legal fees	4,746		605	
Auditors' remuneration	5,808		6,194	
Unrealised gain on foreign exchange	-17,511		-	
Depreciation of tangible fixed assets	4,758		395	
Exceptional items	15,604		-	
Holiday pay	1,584		-	
		538,946		404,571
		147,812		19,850
Finance costs				
Bank charges		2,792		325
NET SURPLUS		145,020		19,525

This page does not form part of the statutory financial statements