



**TRANSPARENCY  
INTERNATIONAL UK**  
fighting corruption worldwide

**scandal: It's £2m to live  
the Office won't look**

**Thai opposition party  
government helped 11**

**Criminal wealth totalling £  
has flowed through UK and  
private jets, luxury yachts and  
mansions - nearly twice as m  
researchers previously thoug**

**record £3bn in  
'emic' corruption**

# **ANNUAL IMPACT REPORT AND ACCOUNTS 2019-2020**

**Millions of dollars' worth of medici  
siphoned from the state controlle  
possibly to be sold on the black m  
missing drugs, counterfeit and e  
were making their ways to hosp**

**Battle to seize £80m "McM  
Homes were bought with d  
court heard**



# CONTENTS

**Chair & Chief Executive's  
Report**

**3**

**Our Vision**

**5**

**Our Strategy**

**6**

**2019/2020 Impact**

**7**

**Financial Review**

**27**

**Governance**

**31**

**Independent Auditor's Report**

**34**

**Financial Statements**

**36**

**Notes to the Accounts**

**39**

**Thank You and Statutory  
Information**

**51**

# CHAIR & CHIEF EXECUTIVE'S REPORT

Welcome to our Annual Report for the year ended 31 March 2020. Transparency International is a global movement sharing one vision: a world in which government politics, business, civil society and the daily lives of people are free of corruption. Transparency International UK is the UK national chapter of this movement and one of the largest and most influential members of this global community.

Our work with the British government, parliamentarians, and the private sector plays a critical role in tackling corruption at home, addressing the UK's global corruption footprint and helping multinational companies prevent corruption by operating with integrity.

We are also home to two major global programmes tackling corruption in the Defence and Security sector and Global Health on behalf of the wider Transparency International movement. In addition, we lead a body of work to support other national chapters to hold their governments to account in delivering pledges made at the London Anti-Corruption Summit in 2016.

## Corruption Perceptions Index (CPI)

Our work remains critical, never more relevant. This year our respected barometer of global attitudes to corruption revealed that two-thirds of countries are failing to make significant progress in fighting corruption. It was also a stark reminder that there is no room for complacency, with a stagnation of the UK's score and a slight drop to 12<sup>th</sup> place in the global rankings. Other G7 countries such as Canada and Australia recorded significant falls.

## Corruption in the UK

Amidst Brexit, a new government, and more recently the huge disruption of the Covid-19 pandemic, there is an urgent need to reinforce the country's commitment to fighting corruption in politics, public services and the flow of dirty money. Our report *At Your Service*, laid bare how some in Britain's professional and business services are playing a key role in embedding dirty money into the country. It revealed how businesses in Britain and its offshore financial centres have played a key role in over 400 corruption cases, diverting £325 billion from 116 countries around the world.

Our advocacy campaigns have also continued to get results, with the Crown Dependencies and the Cayman Islands announcing they would voluntarily adopt public registers of company ownership, and the Chancellor introducing a levy on banks and other regulated companies to fund policing of economic crime.

## Tackling bribery and corruption in business

With business facing an uncertain future in the new economic climate, our Business Integrity Programme provided critical anti-bribery and corruption guidance and training to companies as they look to build new supply chains, often in higher risk markets. We also published our *Open Business* report, which presents principles and a clear roadmap for corporate transparency as a means of reducing corruption risk, building consumer confidence and enhancing reputation. Our Business Integrity Forum and Anti-Corruption Benchmark, which support companies to develop and share best practice in their anti-corruption and anti-bribery processes, have also continued to flourish with respected new names signing up.

## Fighting corruption in global defence and security

The Defence and Security programme has continued to shine a light on the risk of corruption in defence and security globally. As part of the 2020 *Global Defence Integrity Index*, we published assessments of corruption risks in 21 countries across West Africa, the Middle East and North Africa. We supported nationally-led action on defence sector corruption in a range of countries including Tunisia, Nigeria and Mali. In the US, we published influential research examining critical risk factors the US Government should consider in order to help prevent corruption in its arms trade and how US foreign policy aims in the Middle East are being undermined by corruption. We have also significantly expanded our work with international armed forces and have become subject-matter experts to NATO on how to mitigate corruption risk in conflict management.


## Challenging lack of transparency and corruption in global health

As the only programme focussed on tackling corruption in global health systems, the Transparency International Health Initiative this year worked to make procurement around the world more transparent through our Open Contracting for Health project. We worked closely with governments, business and civil society in five countries, Uganda, Zambia, Nepal, Kenya and South Africa, helping to ensure money intended for health care is not lost to corruption. We also launched our new *HealthWorks* platform to share best practice in creating transparent health systems with our global partners.

Throughout the year, our work and expertise continued to attract significant media attention, with our *At Your Service* report making headlines in national and international press, and our expertise in the fight against dirty money being frequently referred to by influential UK media. Our research and reports were cited in parliament on numerous occasions including '*At Your Service*' during the Budget Autumn Statement and oral evidence to the Joint Committee on the Draft Register of Overseas Entities Bill. Since the year-end, our Health Initiative team has been also regularly called upon by journalists for expert comment on the impact of corruption on Covid-19.

At the time of writing in a new business year, all of our programmes and, therefore, the organisation as a whole have had to 'pivot' to a focus on the coronavirus pandemic. This emergency has demonstrated how important our work to strengthen institutions is, as corruption risks worldwide have been all too swift to materialise, especially in the procurement of medical and other emergency supplies. Our Health Initiative has sought to reinforce best practice, whilst calling out egregious cases such as the major ventilator contracts awarded to a Balkan fruit farm, or extensive nepotism in contracting in Latin America. Our UK team has drawn public attention to the risks posed by lobbying and big money in politics alongside the use of emergency procurement in response to Covid-19.

Organisationally, as anticipated last year we underwent a transition in senior leadership during the year with the appointment of a new Chief Executive from October 2019 and the creation of the new role of Chief Operating Officer two months earlier. Meanwhile, our income increased considerably year-on-year, rising from £4.0 million to £7.1 million. Our approach to annual planning and budgeting was overhauled to ensure the organisation is better equipped to respond to complex and cross-cutting challenges. Meanwhile, a strategy development process has commenced for the 2021-2025 period, whilst we are working in parallel with our colleagues in the global secretariat on a new strategic framework for the movement as a whole.

  
FIONA THOMPSON  
CHAIR

  
DANIEL BRUCE  
CHIEF EXECUTIVE

## OUR VISION

Transparency International (TI) is a global movement sharing one vision: a world in which government, politics, business, civil society and the daily lives of people are free of corruption. Transparency International UK (TI-UK) is the UK national chapter of this movement. Our vision is a society in which:

**THE LIVES OF PEOPLE IN THE UK AND AROUND THE WORLD ARE SIGNIFICANTLY IMPROVED**

**THE HEALTH OF OUR INSTITUTIONS IS ENHANCED**

**WE CAN TRUST THE INTEGRITY OF THOSE IN AUTHORITY**

**THERE IS NO IMPUNITY FOR THE CORRUPT AT HOME OR ABROAD.**

## OUR STRATEGY

For 2017-2020 is built around six key themes:

### A CHANGING WORLD

The world's small but effective anti-corruption community is needed more than ever. A flourishing Transparency International will be required to play a key role in world affairs in the coming years; we acknowledge that need and our strategy is a declaration of intent that we expect to rise to the challenge.

### LEVERAGING THE UK'S GLOBAL ROLE

We will mobilise resources and expertise from the UK to help the global fight against corruption, leveraging the UK's international role and acknowledging the UK's role in facilitating international corruption.

### INNOVATION

in areas such as research and advocacy, fundraising and communications, we will introduce new means of collecting, analysing and disseminating information, with a new focus on using tech-driven solutions.

### INCREASING IMPACT

We will increase the impact of our activities; we will prioritise growth in impact over growth in staff numbers.

### ORGANISATIONAL STRENGTH

We will build a strong and sustainable organisation, putting in place the necessary measures to manage our growth.

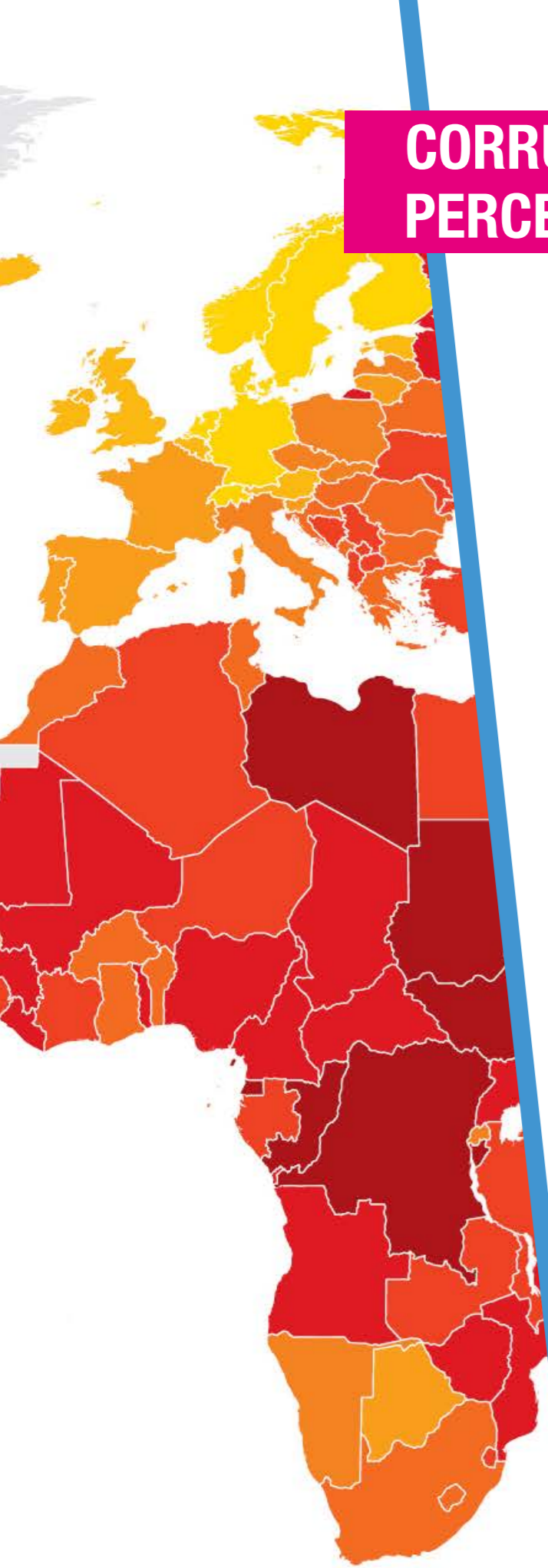
### SUSTAINABLE FUNDING

We will aim for each programme to be self-sustaining according to its needs and up our game in fundraising and communications.



# 2019/2020 IMPACT

# CORRUPTION PERCEPTION INDEX



Transparency International's annual **Corruption Perception Index (CPI)** is our flagship global barometer of perceptions of public sector corruption. It scores and ranks countries based on how corrupt their public officials and institutions are perceived to be by experts and business leaders. It is relied on by businesses and governments for a variety of purposes, including informing investment and trade decisions, and money laundering checks.

Results from 2019 paint a discouraging picture of the state of corruption worldwide. Since 2012, only 22 countries have significantly improved their score while 21 have significantly declined. The remaining countries have made little or no progress in the fight against corruption.

New Zealand and Denmark top the latest rankings, while Syria, South Sudan and Somalia performed the worst.

## Out of the 180 countries scored:

2/3 of countries score below

**50**/100

The average country score is

**43**/100

No country earns a perfect score.

## Since 2012:

**22** Countries Have Improved\*

Including:



Greece  
▲12



Guyana  
▲12



Estonia  
▲10

**21** Countries Have Declined\*

Including:



Canada  
▼7



Nicaragua  
▼7



Australia  
▼8

The remaining countries made little or no progress in the fight against corruption in recent years.

\* These changes refer only to increases/decreases in CPI scores deemed statistically significant.



# CORRUPTION AND THE UK

Billions of pounds of dirty money enter the country each year, payments secure political access and penalties for businesses involved in economic crimes are ineffective. Corruption remains a critical concern for Britain as it forges a new path post-Brexit. Our evidence-based research, advocacy and work with partners has revealed the extent of that corruption, proposed practical solutions and paved the way for new anti-corruption legislation.

## Money and Politics

We developed the 'Fighting Corruption' manifesto with our partners in the UK Anti-Corruption Coalition. As a result, the General Election manifestos of the Conservatives, Labour, Liberal Democrats and the Green Party each contained elements of our recommendations, including on political finance reform, lobbying transparency and raising standards in public office.

Our **Open Access** tool, is a source of otherwise unseen information on meetings between ministers and lobbyists, providing irrefutable evidence of access for potential influence.

Our campaigning and advocacy on 'dark money' in British politics, elections and referendums led to a Government commitment to introduce digital imprint rules to ensure transparency in online political advertising, and further consultations on the integrity of elections and the prevention of foreign interference.

## Dirty Money

After the success of our public and parliamentary campaigns, the Crown Dependencies, Jersey, Guernsey and the Isle of Man, announced they would voluntarily introduce public registers of company beneficial ownership, followed by The Cayman Islands and other British Overseas Territories.

Our advocacy and campaigning ensured the new UK government recommitted to introduce a public register of the real owners of foreign companies holding property in the UK. The policy was included in the Economic Crime Plan and confirmed at the announcement of the Queen's Speech in December.

Our research report: **At Your Service** highlighted how British banks, law firms, private schools, estate agents, architects, and sellers of luxury goods and other services play a key role in accepting dirty money into the country.

We provided Money Laundering Regulators with robust evidence that professional services used by corrupt individuals are a money laundering risk. The Chancellor subsequently announced a company levy to fund economic crime enforcement, - a need which we had identified in our key recommendations.

Our investigations have triggered several law enforcement and regulatory investigations into suspected money laundering and corruption.

### CASE STUDY:

## A CHANGING WORLD

In December 2019, the National Crime Agency (NCA) reached a settlement to recover £190 million in suspected corrupt assets from a Pakistani national, Malik Riaz Hussain, including a London mansion at risk of being the subject of an Unexplained Wealth Order (UWO). The NCA's Financial Intelligence Unit reported the 150% increase in potentially criminal assets frozen by UK law enforcement was due to Account Freezing Orders and other powers introduced under the 2017 Criminal Finances Act - a piece of legislation for which we had campaigned. Fifteen UWOs have been served by UK law enforcement since they became operational. After concerted pressure from our team, the Home Office has begun developing official UK guidance on the return of recovered assets, to which we have since contributed.

# BUSINESS INTEGRITY

With Brexit on the horizon and an evolving business environment, our Business Integrity Programme (BIP) has focused this year on amplifying its voice as a respected anti-corruption and bribery expert, promoting the benefits of transparent business and the tools to achieve it. Our flagship research, evidence-based solutions, training and events for companies, including many FTSE 100 members keen to share best anti-corruption practice, have been among the highlights.

## Open Business

Open Business, Principles and Guidance for Anti-Corruption Corporate Transparency, our keynote report this year, comprehensively outlines the business case for corporate transparency and presents an achievable road map for doing so in a practical handbook style – a first for the business community.

Published in the Spring of 2020, the report is informed by extensive research, including in-depth interviews with legal and compliance figures from FTSE 100 companies, insight from the world's biggest institutional investors, and Transparency International UK's own anti-corruption expertise. Taking into account the most relevant EU, UK and US legislation, the report sets a new bar for disclosures in anti-corruption and governance. It shows how companies can embrace transparency to reduce corruption risk while also building consumer and public trust, protecting and building their reputation and gaining a competitive advantage.

The report was received positively, with Government and corporate representatives attending the report launch and influential media coverage in the sector, including [Lexis Nexis News \(LNB News\)](#), [Thomson Reuters Legal Review](#) and [Ekklesia](#).

## Global anti-bribery guidance portal and e-training

We launched our updated online business anti-bribery guidance in November in response to the growing numbers of companies trading globally, urgently in need of anti-corruption support. Our ambition is for [Global Anti-Bribery Guidance](#) to become the go-to training tool for all compliance and anti-bribery and corruption officers.

It is a free-to-use resource and includes practical summaries of anti-bribery legislation from jurisdictions across the globe, including China, Brazil, and Ukraine.

Since its launch in November 2019, it has averaged around 1,000 users a month across 25 countries. To date there have been 69,683 page views and 26,842 training sessions. Going forward we will be promoting it to the SME community and partnering with other business associations in order to further raise its profile.

## Growing engagement with influential businesses on anti-bribery and corruption

Company participation in Transparency International's UK Corporate Anti-Corruption Benchmark continued to grow with new participants this year including Anglo American, Grant Thornton and National Grid. Established in 2014, the Benchmark is an industry-leading self-assessment tool that measures and compares the performance of anti-corruption programmes across companies. It is based on our extensive anti-corruption expertise and understanding of best practice for the private sector, combined with input from experienced specialist in-house and external practitioners.

Anglo American also joined our Business Integrity Forum, where companies committed to transparency can discuss, engage and collaborate on the anti-corruption agenda.

The Business Integrity programme has also been building engagement with the multi-million-pound pharmaceutical industry, including speaking at the International Federation of Pharmaceutical Manufacturers & Associations (IFMPA). Other public engagements include the Ethics and Business Integrity Committee, the Chatham House Responsible Business Forum and the C5 Anti-Corruption Conference.

EXCERPT:

## OPEN BUSINESS

To what extent does data privacy legislation inhibit a company from publishing details of its beneficial owners?

### Introduction

Ownership transparency is an increasing area of focus for governments, investors, corporations and civil society. Knowing a company's ultimate beneficial owners increases trust, gives comfort to business partners and investors, simplifies on-boarding and due diligence processes, and clearly demonstrates corporate transparency.

Some companies may be concerned that publicly disclosing basic information about their beneficial owners may violate those owners' right to privacy and personal data. However, the requirements of data privacy law do not necessarily render ownership transparency incompatible with data protection.

### GDPR and legal obligations for disclosure

Pursuant to the EU General Data Protection Regulation (GDPR), the current gold standard of data protection legislation worldwide, publicly disclosing beneficial ownership information would constitute processing of personal data<sup>1</sup> and must therefore have a lawful basis.<sup>2</sup>

In many countries, this lawful basis is fulfilled by specific legislation requiring disclosure of ownership information, as processing of personal data is explicitly rendered lawful when it is necessary for compliance with a legal obligation. For example, in the UK, private companies are legally required to record the details of their ultimate owners and controllers at Companies House, including the owners' names, dates of birth, nationalities and countries of residence.<sup>3</sup> In addition, within the EU, the 5th Anti-Money Laundering Directive required EU Member States to make government-compiled registers of beneficial ownership of corporate entities publicly accessible by January 2020.<sup>4</sup>

### Voluntary disclosure

Data privacy legislation, including GDPR, also allows for companies to voluntarily publicise information related to their beneficial owners in cases where there is no explicit legal obligation to do so.<sup>5</sup>

<sup>1</sup> Article 4(1), (2), EU GDPR.

<sup>2</sup> Article 5(1)(b), EU GDPR.

<sup>3</sup> Part 21A, UK Companies Act 2006.

<sup>4</sup> Article 1(11), EU 5th Anti-Money Laundering Directive.

<sup>5</sup> See, for example, section 60(1), UK Data Protection Act 2018.

# GLOBAL ANTI-CORRUPTION STANDARDS AND ADVOCACY

Four years on from the 2016 Global Anti-Corruption Summit in London where 41 participating countries made 648 commitments to fight corruption, holding governments to account has been a key objective for TI-UK. Strategic monitoring and advocacy for those commitments via our Promise to Practice project has resulted in sustained, incremental progress in the fight against corruption around the world.

Through our [Global Pledge Tracker](#), 'Advocacy in Action' and 'Tackling Corruption' reports, we followed the progress of around 170 commitments across dozens of countries. This included updates of reforms to beneficial ownership transparency, open contracting and whistleblowing. Seventy-four per cent of all global commitments made at the Summit are now 'in play', meaning they are 'complete', 'ongoing' or 'underway' as of October 2019.

## Sharing anti-corruption expertise

We also gathered and shared [lessons learned](#) on the most effective anti-corruption advocacy strategies from the UK, Sri Lanka, South Africa, Afghanistan and Jordan. This included hosting a Monitoring, Evaluation and Learning (MEL) Event in Nairobi with eight Transparency International chapters, and a two-day strategy session on Asset Recovery at the meetings of the United Nations Convention Against Corruption (UNCAC). The Executive Director of Corruption Watch (Transparency International South Africa) was subsequently invited by the South African Government to chair the reference group endorsing its National Anti-Corruption Strategy, to provide advice and ensure quality control.

Positive developments in Jordan this year, thanks to Rasheed's (Transparency International Jordan) advocacy have been a particular highlight. The Jordanian Integrity and Anti-Corruption Commission laid out an implementation plan for all eleven commitments pledged by the country. All of these are now 'in play'. This collaboration between international and national civil society organisations and the government underscores that it is never too late for world leaders to keep their promises.

## CASE STUDY:

### SRI LANKA

Sri Lanka has taken the first steps to create a Victim and Witness Protection Programme. Transparency International Sri Lanka held five mobile clinics in various regions of the island to create awareness of the Victims and Witnesses Protection Act. Participants ranged from victims of corruption, vulnerable groups including women and young people, to voluntary organisations and police officers. The team engaged with grassroots activists in the country and remote villages to reach people who would not otherwise receive support. A key objective was enabling them to understand their rights and to learn how to report corruption. The project has built accountability and provided training for the authorities and the public. As of writing, a new director of the Victims and Witness Protection Authority has been appointed as part of Sri Lanka's latest government. The team are preparing for effective future collaborations.

[View video: Tracking Sri Lanka's anti-corruption commitments](#)

## CASE STUDY:

### AFGHANISTAN

The first Afghan Asset Recovery Regulation has been passed by the country's Cabinet. It is the first step towards the creation of an effective asset recovery framework in Afghanistan. It includes recommendations from Integrity Watch Afghanistan (TI-UK's partner) to create a dedicated Asset Recovery Department, and the establishment of a fund within the Ministry of Finance to manage recovered assets. Both will be monitored by an Anti-Corruption Commission. Integrity Watch is working closely with the government to ensure a fair recruitment process. As part of the redistribution process, some of the recovered money will be allocated to victims' compensation. Under this Regulation, the court can require the confiscation of assets even without conviction - one of the government's commitments at the London Anti-Corruption Summit.

# GLOBAL DEFENCE & SECURITY

As people around the world took to the streets, from Iraq to Ecuador, to protest at perceived government corruption, the public demand for their governments to be transparent, accountable and free from corruption could not be clearer. Covid-19 has increased tensions and underscored the need for transparent and accountable governments and defence sectors that can respond effectively to crises.

Transparency International's Defence and Security Programme plays an important role generating evidence on key corruption issues, engaging in high-level policy dialogue, and working with the global Transparency International movement to promote corruption risk reduction. This has included increasing our focus on the role of corruption as a catalyst in conflict and crises through our work in Fragile and Conflict Affected states, and with institutions seeking to bring about peace and stability through conflict management.

## Defence Governance

The launch of the [2020 Government Defence Integrity Index \(GDI\)](#) with publication of data for 21 countries in West Africa, the Middle East and North Africa paved the way for meaningful engagement with governments, anticorruption officials, parliamentarians and civil society in Ghana, Niger, Mali, Cote D'Ivoire, Lebanon and Tunisia. The Index assesses the risk of corruption in a country's defence sector. It revealed a worrying picture with all countries receiving a score of "high", "very high" or "critical" risk of corruption. Working in partnership with Transparency International chapters in each country, the data enabled us to build understanding of the corruption risks faced and obtain commitments to improve defence governance.

### Other highlights include

- Long-term engagement with the civil society organisation I WATCH in Tunisia. This led to the establishment of the Collective for Defence and Security Integrity to provide oversight of the country's defence sector and to advocate for greater transparency and anti-corruption controls.
- In Nigeria, in partnership with the Transparency International member CISLAC, we trained journalists and parliamentarians who highlighted the non-payment of a combat allowance to soldiers. High profile media coverage resulted in the Army making payments to 20,000 troops for the first time.
- Our report [Building Integrity in Mali's Defence and Security Sector](#) was cited in the national press in relation to the alleged embezzlement of nearly £60 million worth of army bonuses.

### CASE STUDY:

## TACKLING CORRUPTION RISKS IN CRISIS AND CONFLICT MANAGEMENT

Developed by Transparency International Defence and Security through a two-year research process and in collaboration with national and international armed forces, the Interventions Anti-Corruption Guidance (IACG) is now the foundation of our policy advice and support to international forces involved in conflict management. Aimed at commanders, military planners and joint forces, the guidance enables them to identify and plan for corruption risks relevant to each mission. NATO has used the guidance extensively as it seeks to build corruption risk awareness and anti-corruption strategies into all conflict management planning and operations, including some of the most complex crisis and conflict situations around the world such as Iraq and Afghanistan.

## Industry

Our research exposing how corruption is at risk of becoming endemic in the United States defence sector and arms export industry resulted in Transparency International Defence and Security providing evidence to a sub-committee of the US House of Representatives Committee on Foreign Affairs. Our reports included [A Mutual Extortion Racket -The military industrial complex and US foreign policy – The cases of Saudi Arabia & UAE](#) and [Holes in the Net: US Arms Export Control Gaps In Combatting Corruption](#)

## Contributing to global debate on corruption in Defence and Security

Transparency International Defence and Security has also continued to be at the forefront of anti-corruption research and debates. Our report [Corruption as Statecraft, Using Corrupt Practices as Foreign Policy Tools](#), has contributed to a growing awareness of how corruption is used increasingly to shape international relations and the ways foreign powers deploy "strategic corruption" to buy influence and undermine national sovereignty.

# GLOBAL HEALTH INITIATIVE

As governments around the world rushed to respond to Covid-19, Transparency International Health Initiative exposed how billions of pounds intended to protect people have been lost to corruption in emergency health care procurement and the race for a new vaccine and treatments. As the only global programme focussed on reducing corruption in the health sector, we presented scalable practical solutions to ensure a more effective response going forward, with the potential to save millions of lives.

Building on its ground breaking report, **The Ignored Pandemic**, the initiative highlighted how Covid-19 had created a perfect storm of disruption, critical shortages and the need for a rapid response, resulting in lucrative contracts being wasted on substandard and ineffective equipment and supplies and price gouging, needlessly putting lives at risk.

Via respected thought leadership in key **international development** and health media, expert webinars and podcasts, Transparency International Health Initiative has continued to raise the profile of the deadly cost of corruption. It has outlined key steps to ensure the most effective response to the pandemic. These include robust and transparent emergency procurement provisions via open contracting, and a campaign calling for full registration of clinical trial results to deliver on taxpayer investment in research and development, maximise scientific endeavour and to protect the public and patients.

## Transparency in Health Procurement

This year saw the Health Initiative continue to build its reputation as a trusted expert in Open Contracting to ensure transparency, cost effectiveness and corruption prevention in health procurement around the world. The team worked closely with government health officials, business and the private sector in Uganda, Zambia, Nepal, Kenya and South Africa as part of the second year of the DFID backed programme, **Open Contracting for Health**. It has led to the collation and publication of high quality data, enabling users to get procurement analytics on the health sector in that country and to spot potential corruption risks, including overpayments and collusion. Transparency International Health Initiative is now supporting our network of chapters, including **Kenya**, and **the UK** to track financial commitments and procurements made to the Covid-19 response to ensure that promises are kept, and money is actually used to tackle Covid-19. In recognition of its expertise, the Initiative was invited to address the Open Government Summit in Ottawa in May 2019.

## Sharing best practice in transparency and fighting corruption in health

With an estimated \$500 billion lost every year in health corruption, the creation of HealthWorks has been another highlight of the year. This online platform is a practical tool to exchange pivotal learning and experience and share best practice in fighting corruption in health care regionally and globally. The aim is to foster innovation and support the replication of successful interventions. It includes a library of the Transparency International movement's health corruption research, programmes and case studies, and a function to translate articles into official Transparency International languages. The website is currently intended primarily for Transparency International and partner audiences, eventually it will be accessible externally. Using HealthWorks, the Initiative has already been able to identify and promote an example of best practice in social accountability and anti-corruption in the health sector in Honduras.

### CASE STUDY:

## ZAMBIA, CHIPATA DISTRICT OPEN CONTRACTING FOR HEALTH

Health procurement in Chipata district was traditionally carried out on paper which meant the public were not aware of the decisions being made, according to Dr Charles Fanaka, Director of the District Health Office. Now, Transparency International's Open Contracting for Health project, has meant that stakeholders, including Ministry of Health procurement officials, suppliers and civil society are taught to use an electronic government procurement system (e-GP) where details of contracts and tenders are published and advertised. It is an easier and more transparent way of comparing quotes from competing suppliers. "We hope that by being open everyone can see if we're getting value for money", said Mr Fanaka. Community volunteer, Diana Tonga said, "We didn't know what was going on before. A new clinic would be started and then left half-built. Now I will be able to know why that district clinic is not completed. Women are really going to benefit from this because normally only men had this information." Fackson Zulu of Action for Positive Change, a local NGO, said, "We'll be able to ensure that whatever is being done is really for the benefit of the people".

[View video: OC4H in Zambia](#)

# OUTREACH AND GROWING OUR IMPACT

This year we made big strides in growing Transparency International UK's network of influential individuals, businesses and organisations committed to the fight against corruption. Combined with high profile media coverage of our work, participation in government hearings, expert coalitions and other high profile events, we have driven legislative change and raised the profile of the urgent need to maintain the fight against corruption.

## Coalitions and networks

We Co-Chair the UK Anti-Corruption Coalition and we are expert representatives on the Joint Money Laundering Intelligence Taskforce (JMLIT) Corruption Expert Working Group. We also advise the Business Integrity Initiative Group run by DFID and DIT. We are part of the UK Extractive Industries Transparency Initiative Civil Society Network (UK EITI/CSN) network and a member of the Action for Global Health (AfGH) group.

## Events

A packed audience attended our Annual Lecture, the major event of the year given by Rory Stewart at Chatham House, where he was engaged in robust debate.

### UK Anti-Corruption Programme event highlights

- Tax Justice Network conference.
- Evidence to the All-Party Parliamentary Group Electoral Campaigning Transparency Panel.
- The Human Cost of Corruption - presentation at the Financial Conduct Authority.
- Roundtable on rebuilding trust in British politics.
- Speech at 37th International Symposium on Economic Crime, Cambridge University.
- Themis Financial Crime Breakfast Club at Dow Jones, London - Fighting Corruption.
- 2020 TICTeC, the Global Civic Technology Conference: the impact of the Global Anti-Corruption Pledge Tracker.

### Business Integrity Programme Event Highlights

- Anti-Corruption Risk mitigation in the Brexit climate.
- Latin America and Gulf risk roundtables.
- Corruption Perceptions Index briefing.
- Investors: reporting and disclosure trends.

### Defence and Security Event Highlights

- Munich Security Conference participation.
- NATO Exercise "Trident Jackal"- Anti-Corruption Advisor.
- Leadership Day with the Lebanese Armed Forces.
- Transparency International Defence and Security/ CISLAC Security Sector Reform webinar.
- Roundtable on Industry Influence.
- OSCE Security Sector Reform/Governance Workshop.

### Transparency International Health Initiative Event and Conferences Highlights

- Nairobi workshop on modelling approaches for open contracting in low and middle-income countries.
- Open Government Summit in Ottawa: presentation on Open Contracting and Procurement.
- Annual Conference of the Cluster for African Research: presentation on fighting corruption in the health sector.
- Transparency and Clinical Trials in the EU: presentation at the European Parliament.
- Participation in UK Open Contracting Steering Group.
- International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) Ethics Committee: presentation on challenges and risks facing the pharmaceutical industry.

### Global Standards Event Highlights

- Special event alongside United Nations Convention Against Corruption Working Group on Asset Recovery Status.
- Public Registers of Beneficial Ownership Panel at the International Monetary Fund (IMF) & World Bank (WB) Meetings 2019.
- Panel at the IMF & WB Meetings on in-country anti-corruption.
- Monitoring, evaluation and learning event in Nairobi, Kenya, with eight Transparency International chapters.

## Membership

Transparency International UK's membership has continued to rise. We now have 111 members. Key membership events included our Annual Lecture in December 2019, the Open Business Launch in March and our Annual General meeting. We are piloting a new Friends scheme to be launched in the coming financial year.

## Websites and Publications

- [Transparency International UK's web site](#) had 202,023 users.
- Our publications were downloaded 93,932 times (92,291 previous year).
- [At Your Service](#) was downloaded 8,050 times.
- [Anti-Bribery Guidance](#) was used 7,028 times (5,894 previous year).
- [Transparency International Health Initiative website](#) had 9,605 users (2,318 previous year).
- The [Government Defence Integrity Index](#) had 13,169 visitors (9,930 previous year).





## Media

Our reputation as an expert source on corruption in the UK and in defence and global health continues to grow with respected UK and international outlets seeking us out. These include the Times, the Telegraph, The Guardian, the BBC, the Financial Times, Daily Mail, Bloomberg, Dow Jones, Reuters and The Washington Post. This year we achieved 368 pieces of coverage across all our programmes.

### Highlights include:

- Our **Clinical Trials Transparency** report **cited in the BMJ**.
- **The Ignored Pandemic** featured as the **basis for an article in The Lancet**.
- Duncan Hames featured in an episode of Michael Crick's Radio 4 **Tales from the Lobby** series to explain our work on bringing lobbying out of the shadows.
- Our behind-the-scenes investigative work helped reveal the properties frozen by the **second-ever Unexplained Wealth Order**.
- The **Global Defence Integrity Index (GDI)** received a mention in a briefing from The Economist and formed the basis of an article by the **Carnegie Middle East Centre**.
- The GDI 2020 findings from the MENA region formed the basis of a piece for specialist publication **Countertrade & Offset**.
- **At Your Service** has been referenced in more than 70 media articles since its launch. Findings from the report featured prominently in a number of major UK newspapers and websites, including **The Guardian, Bloomberg, Washington Post, The Times, and Mail Online**. It has become a go-to resource for journalists covering corruption and associated money laundering. Specialist media catering to sectors identified in the report, including the **Law Gazette, Risk Magazine, Today's Conveyancer** and the **Art Newspaper**, have carried industry-specific stories.



## Social Media

This year we have focused on increasing and improving the quality of our social media content in order to raise awareness of our work and enhance our impact. This has included building our LinkedIn networks, critical for our Business Integrity Programme, making our Twitter feed more engaging, and launching our Instagram channel.

### Highlights include:

**1.35 million** Impressions on Twitter.

**1,704** new LinkedIn followers.

## Prominent blogs/opinion pieces

- Daniel Bruce: *Why the new DFID and Foreign Office team must lead the way in tackling aid corruption* (**Conservative Home**)
- Duncan Hames: *"There's growing attention to dirty money invested in property"* (**Modus Magazine**)
- In Conversation with... (**Institute of Business Ethics**)



# ACCOUNTS

## FINANCIAL REVIEW

Income from all sources increased to £7,113,000 in the year to 31 March 2020 (2018/19: £4,049,000). Of this total £6,479,000 (2018/19 £3,318,000) was restricted for specific programmes and projects, largely made up of grant income. The remaining income of £634,000 (2018/19 £731,000) was unrestricted, comprising grants, donations and TI-UK membership income as well as revenue generated by the Business Integrity Programme (BIP), principally through membership of the Business Integrity Forum (BIF). These latter sources of income remain important to the financial sustainability of the charity.

Expenditure for the year increased by 15% to £5,547,000 (2018/19 £4,826,000). The majority, 98%, went towards charitable activity and 2% to raising funds. The growth in restricted activities was across all operational programmes and reflected the increased capacity we have put in place following the significant long term institutional funding received in the previous year. The charity made a total surplus for the year of £1,566,000 (£2018/19 £777,000 deficit), which comprised a surplus on restricted funds of £1,502,000 (2018/19 £871,000 deficit) and a surplus on unrestricted funds of £64,000 (2018/19 £94,000). Both cash and restricted funds benefited from significant funding from the Government of the Netherlands received in March 2020 for utilisation in 2020/2021.

The Covid-19 global pandemic has placed restrictions on travel and required office colleagues to work remotely since March 2020. External meetings and fundraising events have been paused. We have utilised the government support packages including delayed VAT payment and use of the Coronavirus Job Retention Scheme due to business interruption and the option of furlough for one employee. Revenue budgets and cash flow forecasts have been stress tested given the uncertainty as to the disruption that the pandemic may have. Non-essential expenditure is being deferred to the later part of the budget year given the pattern of unrestricted revenue, much of which is received in the later part of the year.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have reviewed the financial position, budgets and cash flows for the period to September 2021 and consider that the charity is in a position to meet its financial obligations as they fall due.

### Reserves policy

The Trustees consider that the charity needs to hold unrestricted reserves for the following principal reasons:

- to maintain sufficient working capital cash flow to cover delayed debtor receipts;
- to maintain programme delivery activities if delays in grant instalment payments from funders occur;
- to cover risks related to failing to meet donor obligations resulting in claw back of funding for activities undertaken; and
- to maintain the organisational structure including staffing in the short term where delays or gaps on the expiry of major grants occur, given dependence on a relatively small number of funders.

Total reserves at 31 March 2020 amounted to £2,354,000 (2018/19: £788,000) of which unrestricted reserves amounted to £443,000 (2018/19 £379,000) and restricted reserves amounted to £1,911,000 (2018/19 £409,000). The charity also has a small amount of reserves tied up in fixed assets, amounting to £17,000 at 31 March 2020 (2018/19 £29,000), leaving free reserves at 31 March 2020 of £426,000 (£2019/19 £350,000)

Based on a risk assessment including weighting of the risks referred to above, the Trustees are of the opinion that the Charity needs to target an increase in the unrestricted reserve to be within a range of £500,000 to £600,000 (this represents a range of 1.8 to 2.1 months of all 2020-21 budgeted salaries and overheads, both restricted and unrestricted). At present the reserves are below this target range and we will be working to build the unrestricted reserve over the course of the next two years. The target is reviewed on a six monthly basis, and future changes to the target will be dependent on shifts in the risk profile of the charity, an ongoing assessment of the likelihood of major grant renewals and our ability to grow revenue in light of the wider economic situation, most recently because of Covid-19.

### Remuneration policy

Our policy is to provide remuneration sufficient to attract, retain and motivate the kind of capable and dedicated people we need to help us fulfil our mission. We benchmark salaries periodically against comparable organisations, and in determining individual salary level and progression we also take into account internal comparisons and the financial circumstances of the organisation. The most recent benchmarking exercise was completed in the first quarter of 2019. For details of key management remuneration, see note 10 to the accounts.

The Remuneration Committee is responsible for setting the remuneration of the Chief Executive. The Chief Executive sets the remuneration of members of the senior management team in consultation with the Remuneration Committee.

### Grant making policy

We award grants to other organisations as part of delivering our charitable and strategic objectives, this can include Chapters within the TI network or to other organisations working on anti-corruption and bribery agendas or engaged in research or advocacy in these fields. We undertake a formal evaluation and due diligence of the partner in advance of agreeing funding. All grants outlining key activities and deliverables are approved by the relevant Programme Director prior to funds being disbursed. We monitor and evaluate progress that the grant is being managed according to the agreement, and if we are not satisfied with progress or implementation, we can delay or discontinue it. Total grants to partner organisations were £1,260,000 (2018/2019: £902,000) and for a full list, see note 5 to the accounts.

### Future plans

The Trustees approved the 2020/2021 Annual Plan in February 2020 and details can be found [here](#). The plans focus on three goal areas:

- Reinforce TI-UK's anti-corruption sector leadership through high quality programme design and delivery;
- Amplify programme outcome through mobilisation of further resources with impactful communications and advocacy; and
- Strengthen the operational capacity and risk resilience of the organisation.

As the 2020/2021 plans were being finalised, the Covid-19 virus pandemic that will have longer-term human, social and economic impacts worldwide was emerging. A global crisis often makes corruption worse as opportunities for those with entrusted power to abuse their position for personal gain manifest itself. TI-UK have responded to Covid-19 in a dedicated publication.

A process to create a new four-year strategy for the period 2021-2025 has been commissioned and is planned to be presented to the November 2020 AGM. The approach will be inspired and informed by the wider TI movement's Vision 2030, a ten-year strategic framework that will be finalised this year.

## PUBLIC BENEFIT

Charity trustees have a duty to develop strategic plans to ensure that they provide public benefit and achieve the objectives as set out in the governing document. The Trustees have had due regard to the Charity Commission guidance in relation to public benefit.

TI-UK's primary objective is the relief of poverty, suffering and distress caused directly or indirectly by corruption and the promotion for the public benefit of ethical standards and compliance with the law by the public and private sectors. The Trustees are satisfied that the Charity's activities continue to further these aims and meet the public benefit (as defined by the Charity Commission)

The Trustees define a range of beneficiaries who benefit from the activities of the Charity:

- those who are the victims of corruption in the UK and overseas;
- those who have not become victims due to corruption being prevented;
- all those in societies which benefit from strong and transparent institutional structures that help deter and defend against corruption; and
- those in economies whose development is enhanced through reducing corruption.

The Charity considers that there are clear public benefits arising from

- promoting the enforcement of the UK Bribery Act;
- highlighting the threat of corruption in specific sectors of the UK;
- building integrity and prevent corruption in the defence and health sectors;
- ensuring the UK enforces international anti-corruption conventions effectively;
- helping companies and NGOs to raise their anti-corruption standards; and
- increasing public awareness of corruption issues.

## RISK MANAGEMENT

The Trustees and Senior Management Team review regularly the principal risks faced by the Charity. These include risks related to our people, security, finance and funding, legal and donor compliance and external relationships.

### Roles and responsibilities for managing risks

<b>Board of Trustees</b>	<ul style="list-style-type: none"> <li>• Responsible for management &amp; control of the Charity</li> <li>• Sets overall risk management and appetite</li> <li>• Approves risk register annually with bi-annual update</li> </ul>
<b>Finance and Audit Committee &amp; Programme Committees</b>	<ul style="list-style-type: none"> <li>• Advises on financial control &amp; risk management</li> <li>• Reviews and monitors risk register including deep dives into risk areas</li> <li>• Programme Committees maintain risk registers ensuring issues that could have organisational impact are highlighted.</li> </ul>
<b>Senior Management Team</b>	<ul style="list-style-type: none"> <li>• Monitor &amp; maintain internal control environment ensuring day-to-day operations have adequate systems and procedures in place.</li> <li>• Review &amp; monitor the risk register on quarterly basis to ensure new or emerging risks are profiled as well as to ensure timely follow up of mitigating actions to reduce risks to manageable levels.</li> </ul>
<b>Risk Registers</b>	<ul style="list-style-type: none"> <li>• Organisational Risk Register</li> <li>• Four Programme Risk Registers</li> </ul>

### How we are managing our principal risks

Key Organisational Risks	How we are mitigating the risk
<b>People</b>	
<b>High levels of employee turnover.</b> As a result of institutional funding uncertainty this could threaten our ability to complete existing contractual obligations as well as continuity of sector and TI knowledge and expertise.	<ul style="list-style-type: none"> <li>• People Team priorities and quarterly metrics to measure lifecycle indicators</li> <li>• Engagement forums including 'One Team' meetings, learning sessions &amp; policy group</li> <li>• Regular feedback via Pulse Surveys</li> </ul>
<b>Safeguarding:</b> there is a risk that our culture does not recognise that all our people are responsible for safeguarding and that norms, values, attitudes and behaviours are as important as policies and procedures. The risks of ensuring this takes place across funding partners that vary in size and context and have limited resources makes us vulnerable to financial, donor and reputational risk.	<ul style="list-style-type: none"> <li>• Safeguarding &amp; Whistleblowing Policies &amp; Codes of Conduct</li> <li>• Mandatory training</li> <li>• Partner guidance/ toolkits</li> <li>• Annual Safeguarding Report</li> </ul>

### Security

Increased levels of political uncertainty in many countries, pandemics and erratic weather conditions means that international travel places many of our travellers at higher levels of risk and disruption including being affected by protests, strikes, terrorism, flooding and cyclones.

- Safety & Security Risk Framework, policies and procedures
- Safety & Security Focal Points
- Crisis management plans
- Insurance cover & overseas assistance scheme

### Finance

Failure to achieve adequate cost recovery on restricted grants prevents an effective level of shared services to be funded.

- Budgetary templates and internal reporting
- Formal approval process for funding bids

### Funding

Opportunities to increase unrestricted income requires targeted interventions specific to the programme area if we are to meet revenue contribution/ fundraising targets. These are dependent upon sufficient time to build credible pipelines as well as addressing skill gaps through training / new recruitment.

- Fundraising team with dedicated support for institutional funding and individual donor giving
- Regular monitoring of revenue pipelines across programmes

Funding from two significant institutional donors will be due for renewal in Quarter 1 of 2021 and there is a risk that maintaining strategic priorities and teams would be a challenge if there is a break in funding given the low level of unrestricted reserves.

- On-going dialogue with existing donors to ensure strategic alignment between TI-UK and their funding priorities.
- Diversifying funding opportunities across programmes with variation of renewal lengths and dates.

### Legal & Donor Compliance

Aggressive litigation ("SLAPP suits") compromise TI-UK's ability to operate or result in major legal costs.

- Documented content creation process to ensure legal liability is considered prior to publication.
- Access to range of legal advice to defend possible litigation.

Grant management procedures insufficient to meet increasing donor requirements, particularly monitoring large sub-grants to chapters leading to long term loss of restricted income.

- Shared services function provides programme support across teams covering grant management, compliance, partner due diligence, procurement and administration & logistics.

### External Relationships

The ability to effectively engage donors and the wider public will be at risk if we are unable to provide robust programme evidence and impact.

- Evidence and engagement team building increased linkages to ensure that evidence is built into programme design, log-frames and reporting.

### Covid-19

The need to respond effectively to the impact of the global Covid-19 pandemic and subsequent economic downturn with risk related to our people, cashflow and revenue generation and programme delivery.

- Covid-19 response plan with enhanced monitoring of risks by Finance & Audit Committee and SMT.
- Engagement plan to ensure our people remain safe, productive and supported in their mental wellbeing through the prolonged crisis and remote working.
- Financial Scenario planning and enhanced cash flow monitoring

# GOVERNANCE

The Charity is a company limited by guarantee and was set up by a Memorandum of Association on 1 March 1994. It was registered as a charity on 27 January 2006.

Transparency International UK is a national chapter of the global movement, Transparency International (TI), incorporated in Berlin. National chapters lead the work of TI in their country and participate in TI's regional and international work. The membership base of each TI national chapter differs in type and size from country to country. TI-UK's members are an important part of the chapter's governance in that they are able to vote at the AGM. There is no fixed upper or lower limit to membership numbers, but the Board has set a preferred range of between 100 and 250 members. The number of members at 31 March 2020 was 111 (2019: 101).

The International Secretariat based in Berlin oversees the implementation of TI's international agenda, coordinates TI's regional work, supports national chapters and acts on behalf of the TI movement as a whole. TI-UK operates under a national chapter accreditation agreement which is renewed periodically.

## Trustee & Board members

TI-UK is governed by a Board of Trustees, elected by the members of TI-UK or co-opted subject to election. The Board meets regularly during each financial year (normally four half days along with a Strategy Away Day) to provide strategic guidance, discuss and agree policy issues, review expenditure, approve budgets and review progress in implementing programmes. The Board's decisions are implemented by the employees of the Charity, led by the Chief Executive. The Board has established a number of committees which meet depending on needs but generally three or four times a year for Programme Committees and the Finance and Audit Committee. Other Committees meet as required.

The procedures for appointing Trustees and their terms of office are set out in TI-UK's Articles of Association and a document approved by the Board, which facilitates the process of recruiting Trustees. The process seeks to ensure that relevant skills are reviewed, and includes public advertising and a panel interview. The Trustees are appointed to the Board until the next Annual General Meeting at which time they stand for appointment by the membership. New Trustees participate in two half-day inductions and are given a comprehensive induction pack. Additional training for Trustees is arranged as and when it is considered necessary.

The Trustees undertake a formal evaluation of the effectiveness of the Board each year and the Senior Management Team contribute their feedback. The Chair has annual objectives agreed with the Board and these are evaluated by them with the opportunity for the SMT to contribute. During 2019/2020 two new Trustees, Sarah-Jayne Clifton and Eddie Rich, were appointed and Tamara Davies stepped down in order to take maternity leave. The following Trustees held office:

Trustee	Date of Appointment/Resignation	Committees	Board Attendance 2019/2020
Shalni Arora	22 November 2012 -	H (Chair), N	4 of 5
Graham Baxter	29 January 2014 -	D, P (Chair), R	5 of 5
Michael Bowes QC	16 May 2015 -	D, N	4 of 5
Natasha Clayton	16 May 2015 -	A, F (Chair), R	5 of 5
Sarah-Jayne Clifton	14 May 2019 -	A, F	4 of 5
Steve Cockburn	26 February 2019	D, H	5 of 5
Tamara Davies	30 April 2014 – 12 November 2019	F, P	3 of 3
Sam Eastwood	22 November 2012 -	A, H	5 of 5
Prof Paul Heywood	12 October 2015 -	A (Chair), D	4 of 5
Dominic Martin	26 February 2019 -	D, P	5 of 5
Eddie Rich	14 May 2019 -	H, P	5 of 5
Fiona Thompson (Chair)	16 May 2015 -	F, N, R	5 of 5

A: Advocacy & Research  
 D: Defence and Security Programme  
 H: Health Initiative  
 P: Private Sector

F: Finance & Audit  
 R: Remuneration  
 N: Nominations

The Charity has an Advisory Council that allows the Board to draw on its members' varied expertise and experience. An Ethics Advisory Panel is in place for the purpose of providing advice to the Board on ethical questions including conflicts of interest.

TI-UK host two Transparency International Global Thematic Initiatives (GTNIs), One is focused on Defence and Security and the other is a Health Initiative. GTNI's are global operating programmes hosted by a national chapters. They are shaped by their innovative approaches and ambition to have a global impact in a defined thematic area. A GTNI has a level of autonomy from their host chapter in conducting global policy activities and advocacy. At the same time, they operate under the existing structures of the host chapter (including legal liability, HR, finance, etc). The Transparency International Board Governance Committee review the hosting arrangements every three years. This was last completed for Defence and Security in 2019 with the Health Initiative in 2018.

TI-UK's reputation is of paramount importance. The Charity has internal policies and procedures to ensure that the Board of Trustees and employees preserve their independence, safeguard their integrity and express opinions based on an impartial assessment of facts. All Trustees and Senior Employees complete conflict of interest forms and these are published on the Charity web-site. Every meeting notes any potential conflicts of interest. Professional Indemnity, Trustees Indemnity and Employment Practices insurance cover are in place.

## Safeguarding

TI-UK published their first [annual Safeguarding Report in February 2020](#). The report provides transparency on the safeguarding framework in place, summarises matters that were reported and investigated and details enhancements that are planned to ensure we continue to uphold evolving sector best practice. 2019/2020 included refreshed induction training. A survey of policies and procedures in our overseas funded partners and enhanced procedures for Trustee reporting of Serious Incidents together with this being a standard board meeting agenda item. A culture of more open and frequent employee engagement through 'pulse surveys' was also introduced to help create an environment where feedback is routinely provided allowing issues or concerns to be raised.

## How we ensure we fundraise responsibly

We have a small central fundraising team, housed within our Evidence and Engagement team, with additional involvement from the Chief Executive, which concentrates on raising unrestricted funds, coordinating a cross-organisational approach to donors and supporting fundraising for each programme. Responsibility for raising programme funding is shared between Programme Directors and the Director of Evidence and Engagement. The majority of our funding comes in the form of restricted funds from a small number of large government donors, for our global programmes. This carries two risks: that the programmes become over-reliant on a small number of donors, and that the programmes may seem to be too close to the governments that we are aiming to hold to account. In order to mitigate the perception that our mission may be compromised by our donors, Transparency International globally has clear guidelines that we adhere to on the circumstances in which funds can be accepted, relationships with donors, and transparency around funders. We ensure that our fundraising strategy that is revised annually reflects these risks.

Our fundraising strategy, over and above generating the revenues necessary to support our mission, is to diversify the base of our donors, both in type and number, and to seek more unrestricted funding. This is principally so as to enable our programme staff to be responsive to advocacy opportunities and to ensure that we have funding to allocate to areas of our work that are important or emerging, but may be less immediately attractive to conventional funders. This also enables us to ensure that we can always maintain our independence from donors by being willing to turn away money when we feel the circumstances require. In the past, our fundraising has concentrated mainly on UK-based foundations and a small number of large government donors, while most of our unrestricted funding has been generated by the Business Integrity Programme. In order to support the fundraising strategy, we have increased the commitment to investing in raising funds from institutions, trusts and foundations and major donors. Our intention is to maintain our approach of directing as much possible financial support towards the programmes while ensuring our core support team is adequately resourced.

We aim to operate to the highest standards in fundraising, including the recently introduced codes and norms for the sector as well as GDPR compliance. However, we do little or no 'retail' fundraising from the wider public and we do not use third parties, external fundraisers (either volunteer or professional) or contract out our fundraising, so our exposure in areas particularly highlighted by the codes is not high. We are registered with the Fundraising Regulator, and have committed to follow the regulator's code of Fundraising Practice and the Fundraising Promise. We have not received any complaints about our fundraising practices during the year.

## Trustee responsibilities regarding the financial statements

The Trustees (who are also directors of Transparency International UK for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Trustees have taken all the necessary steps to make themselves aware of any information needed by the Charity auditor's for the purpose of their audit and establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditor is unaware.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

Approved by the Board of Trustees and signed on their behalf by:



Fiona Thompson

Chair

3 August 2020

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TRANSPARENCY INTERNATIONAL UK

### Opinion

We have audited the financial statements of Transparency International (UK) for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

### Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 33, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

## 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 Trustees are responsible for the other information. The other information comprises the information included

- in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Opinions 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 Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees Annual Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Use of this report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Steven Harper (Senior Statutory Auditor)**

For and on behalf of Haysmacintyre LLP, Statutory Auditors

11 August 2020

10 Queen Street Place  
London  
EC4R 1AG

## Financial Statements

Transparency International - UK

# STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account)  
for the year ended 31 March 2020

		Restricted Funds 2019/20	Unrestricted Funds 2019/20	Total Funds 2019/20	Restricted Funds 2018/19	Unrestricted Funds 2018/19	Total Funds 2018/19
	Notes	£000	£000	£000	£000	£000	£000
<b>Income from:</b>							
Donations	2	-	85	85	-	195	195
Charitable activities	3	6,479	549	7,028	3,318	536	3,854
<b>Total income</b>		<b>6,479</b>	<b>634</b>	<b>7,113</b>	<b>3,318</b>	<b>731</b>	<b>4,049</b>
<b>Expenditure on:</b>							
Raising funds		-	94	94	-	113	113
<b>Charitable activities</b>							
<b>Programmes:</b>							
UK Anti-Corruption		1,225	16	1,241	912	24	936
Business Integrity		-	345	345	99	318	417
Defence & Security		2,667	36	2,703	2,337	58	2,395
Health Initiative		1,085	12	1,097	841	20	861
<b>Other activities:</b>							
Communication		-	67	67	-	104	104
<b>Total charitable activities</b>	6	<b>4,977</b>	<b>476</b>	<b>5,453</b>	<b>4,189</b>	<b>524</b>	<b>4,713</b>
<b>Total Expenditure</b>		<b>4,977</b>	<b>570</b>	<b>5,547</b>	<b>4,189</b>	<b>637</b>	<b>4,826</b>
<b>Net Income / (Expenditure)</b>		<b>1,502</b>	<b>64</b>	<b>1,566</b>	<b>(871)</b>	<b>94</b>	<b>(777)</b>
<b>Net movement in funds</b>		<b>1,502</b>	<b>64</b>	<b>1,566</b>	<b>(871)</b>	<b>94</b>	<b>(777)</b>
<b>Reconciliation of funds</b>							
<b>Funds brought forward 1 April</b>		<b>409</b>	<b>379</b>	<b>788</b>	<b>1,280</b>	<b>285</b>	<b>1,565</b>
<b>Funds carried forward 31 March</b>	15	<b>1,911</b>	<b>443</b>	<b>2,354</b>	<b>409</b>	<b>379</b>	<b>788</b>

The Statement of Financial Activities includes all gains and losses recognised in the year and are from continuing activities.

The notes on pages 39 to 50 form part of these financial statements.

**BALANCE SHEET**

as at 31 March 2020

Company Registration 02903386

		2019/20		2018/19	
	Note	£000	£000	£000	£000
<b>Fixed Assets</b>					
Tangible fixed assets	11		17		29
<b>Current Assets</b>					
Debtors	12	1,290		568	
Cash at bank		1,470		690	
		<u>2,760</u>		<u>1,258</u>	
<b>Creditors:</b> amounts falling due within one year	13	(423)		(499)	
<b>Net Current Assets</b>			<u>2,337</u>		<u>759</u>
<b>Net Assets</b>	15		<u><u>2,354</u></u>		<u><u>788</u></u>
<b>The Funds of the charity</b>					
Restricted income funds	15		1,911		409
Unrestricted funds	14		443		379
<b>Total charity Funds</b>			<u><u>2,354</u></u>		<u><u>788</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 3 August 2020 and were signed below on its behalf by:



**Fiona Thompson**  
Chair

The notes on pages 39 to 50 form part of these financial statements.

**CASHFLOW STATEMENT**

for the year ended 31 March 2020

	2019/20	2018/19
	£000	£000
<b>Cash flows from operating activities:</b>		
Net cash provided / (utilised) by operating activities	780	(545)
Cash flows from investing activities		
Purchase of fixed assets	-	(26)
<b>Change in cash and cash equivalent in the reporting period</b>	<u>780</u>	<u>(571)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>690</u>	<u>1,261</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>1,470</u></u>	<u><u>690</u></u>
All amounts relate to continuing activities.		
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
Net movement in funds for the period (as per the Statement of Financial Activities)	1,566	(778)
Adjustments for:-		
Depreciation charges	12	8
(Increase) in debtors	(722)	(89)
(Decrease)/ increase in creditors	(76)	314
<b>Net cash provided by (used in) operating activities</b>	<u>780</u>	<u>(545)</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in bank & at hand	1,470	690
Cash equivalents	-	-
<b>Total cash and cash equivalents</b>	<u><u>1,470</u></u>	<u><u>690</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### Accounting basis

**Transparency International (UK)** is a registered charity in England and Wales (charity number 1112842) and a company limited by guarantee (number 02903386).

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) FRS 102 – ‘Accounting and Reporting by Charities (2019)’ Second Edition, effective 1 January 2019, the Charities Act 2011 and applicable accounting standards.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### Going concern

The Covid-19 global pandemic has placed restrictions on travel and required office colleagues to work remotely since March 2020. External meetings and fundraising events have been paused. We have utilised the government support packages including delayed VAT payment and use of the Coronavirus Job Retention Scheme due to business interruption and the option to furlough one employee. Revenue budgets and cash flow forecasts have been stress tested given the uncertainty as to the disruption that the pandemic may have. Non-essential expenditure is being deferred to the later part of the budget year given the pattern of unrestricted revenue, much of which is received in the later part of the year.

The Trustees consider that there are no material uncertainties about the charity’s ability to continue as a going concern. The Trustees have reviewed the financial position, budgets and cash flows for the period to September 2021 and consider that the charity is in a position to meet its financial obligations as they fall due. The level of unrestricted free reserves is below the targeted level of between £500,000- £600,000, with a shortfall of £174,000 from the top of the target range. The key risk that could arise in the year ahead relates to a need to maintain programme delivery activities where delays in grant instalment payments from funders occur. Plans are in place to monitor this and take action to reduce expenditure commitments should this risk materialise. As such, the financial statements have been prepared on a going concern basis.

### Company status

The charity is a company limited by guarantee (registered number 02903386) which is incorporated and domiciled in the UK. The address of the registered office is 10 Queen Street Place, London EC4R 1BE. The charity meets the definition of a public benefit entity under FRS 102. More detail on how the Trustees have satisfied themselves that TI-UK has met the public benefit requirements is given in the Trustees’ Report. The members of the company are subscribers to the Memorandum of Association and the persons listed in the Register of Full Members of the company. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

### Critical accounting estimates and judgements

In accordance with FRS 102, the Trustees are required to make certain estimates and judgements that have an impact on the policies and amounts reported in the financial statements. These estimates and judgements are based on historical experience and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made.

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

The significant estimates and judgements are:

- Accrued income (see Income policy below)
- Accruals: costs not yet invoiced (see Expenditure policy below)
- Allocation of support costs (see Expenditure policy below)

In the view of the Trustees no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

### Income

All income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy, and the amount can be measured reliably. Where contracts for advisory services cover a period of time spanning the financial year end the proportion of revenue recognised in the year reflects an assessment of the fair value of services provided to the reporting date. Gifts in kind and donated services are recorded at the value to the charity at the date of receipt. No amount has been included in the financial statements for services donated by volunteers. Income from BIP membership is recognised when invoiced. Gift Aid receivable is included in income when the donation is made and where there is a valid Gift Aid declaration from the donor.

### Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Overheads have been allocated on the basis of employee costs (head count).

At the year-end, employee emoluments include paid annual leave where this has not been taken at the rate of pay applicable at that date. Termination benefits are accounted for on an accruals basis.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include general management, payroll, administration, budgeting, and accounting, technology, and human resources.

### Foreign currency

Foreign currency transactions are translated at the rate applicable on the transaction date.

### Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation. All fixed assets costing more than £1,000 are capitalised. Depreciation is provided on equipment and fixtures over three years straight line.

### Pension costs

The Charity provides a defined contribution scheme, which is available to all employees. The funds are independently held from those of the Charity. The pension costs comprise the costs of the Charity’s contribution to its employees’ pension schemes.

### Taxation

The Charity falls within the meaning of Part 1, Schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charges arose in the period.

Irrecoverable VAT is not separately analysed and is charged to the SOFA when the expenditure to which it relates is incurred, and is allocated as part of the expenditure to which it relates.

### Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Financial assets comprise cash at bank and in hand, trade and other debtors. Financial liabilities include trade and other creditors. Basic financial instruments are recognised at transaction value. Details of these financial assets and liabilities and their carrying value are given in the notes to the accounts.

### Funds

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

General reserves are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

## 2. Donation Income

	Restricted Funds 2019/20 £'000	Unrestricted Funds 2019/20 £'000	Total Funds 2019/20 £'000	Restricted Funds 2018/19 £'000	Unrestricted Funds 2018/19 £'000	Total Funds 2018/19 £'000
Grants	-	48	48	-	159	159
Donations	-	32	32	-	30	30
Gifts in kind	-	5	5	-	6	6
<b>Total</b>	<b>-</b>	<b>85</b>	<b>85</b>	<b>-</b>	<b>195</b>	<b>195</b>

Unrestricted grants include funding from the following trusts and foundations:-

David and Elaine Potter Foundations	£ 45,000
The Beale Trust	£ 1,000
Savannah Wisdom	£ 1,000

## 3. Charitable Activities Income

	Restricted Funds 2019/20 £'000	Unrestricted Funds 2019/20 £'000	Total Funds 2019/20 £'000	Restricted Funds 2018/19 £'000	Unrestricted Funds 2018/19 £'000	Total Funds 2018/19 £'000
Grants receivable (Note 4)	6,479	-	6,479	3,318	-	3,318
Business Integrity Programme						
- Bronze Membership	-	129	129	-	112	112
- Gold Membership	-	238	238	-	236	236
- Standalone Benchmark	-	50	50	-	-	-
- Thought Leadership & other income	-	132	132	-	188	188
<b>Total</b>	<b>6,479</b>	<b>549</b>	<b>7,028</b>	<b>3,318</b>	<b>536</b>	<b>3,854</b>

A list of Business Integrity Forum members is found on page 51.

The unrestricted Thought Leadership income includes donations from GlaxoSmithKline £40,000, HSBC Holdings Ltd, £25,000 & Ropes & Gray £40,000.

## 4. Grants Receivable Income

	Notes	Total Funds 2019/20 £'000	Total Funds 2018/19 £'000
<b>Business Integrity Programme</b>			
Friends Provident Foundation	14	-	99
<b>UK Anti-Corruption Programme</b>			
Ajahma Charitable Trust		230	60
Department for International Development (DFID) - I-ACT Tracking Summit Commitments		480	520
Foundation Open Society Institute		100	-
Global Anti-Corruption Consortium – via Transparency International Secretariat		-	5
Julia & Hans Rausing Trust		496	-
Joffe Charitable Trust		30	28
Joseph Rowntree Charitable Trust		23	30
Luminate : The Omidyar Group		324	205
Network for Social Change		21	-
Open Society Policy Centre		85	167
Trust for London		23	16
	14	<b>1,812</b>	<b>1,031</b>
<b>Defence &amp; Security Programme</b>			
Carnegie Foundation		153	-
Department for International Development (DFID) - I-ACT		1,127	960
FCO UK Conflict, Stability and Security Fund (CSSF) - Nigeria		-	133
Netherlands Ministry of Foreign Affairs		2,298	-
Norwegian Centre for Integrity in the Defence Sector		-	28
Open Society Foundation		31	66
United Nations Office on Drugs and Crime (UNDOC)		-	69
United Nations Democracy Fund (UNDEF)		25	41
	14	<b>3,634</b>	<b>1,296</b>
<b>Healthcare Initiative</b>			
Department for International Development (DFID) FAST - Open Contracting for Health		926	793
GlaxoSmithKline		90	80
Savannah Wisdom		-	20
	14	<b>1,033</b>	<b>893</b>
<b>Total</b>	<b>14</b>	<b>6,479</b>	<b>3,318</b>

## 5. Charitable Expenditure: Grants Payable

	Total Grants 2019/20 £000	Total Grants 2018/19 £000
AKKI Athlathato Kormanyzas Kutatointezet	42	-
Association CRI 2002 - Mali	21	28
Belgrade Centre for Security Policy	-	30
CISLAC Nigeria	63	104
Corruption Watch UK	11	14
Corruption Watch Nepal	-	3
Corruption Watch South Africa	98	38
Development Gateway	10	30
Ghana Integrity Initiative	44	1
GTI for Public Good	40	-
Institute for Democracy and Mediation	9	-
Integrity Watch Tunisia	37	8
Integrity Watch Afghanistan	46	41
Lebanese Transparency Association	42	17
NAKO Ukraine	-	147
Open Contracting Partnership	93	80
Social Justice	4	-
Spotlight on Corruption	60	-
The Fund for Constitutional Government	98	58
Transparency International Armenia	19	-
Transparency International Chile	37	-
Transparency International Czech Republic	32	-
Transparency International Jordan	41	32
Transparency International Kenya	55	12
Transparency International Macedonia	-	1
Transparency International Nepal	45	11
Transparency International Niger	6	-
Transparency International Palestine	-	21
Transparency International Russia	-	36
Transparency International Sri Lanka	49	36
Transparency International Uganda	66	84
Transparency International Ukraine	82	-
Transparency International Zambia	76	55
Transparency Secretariat Berlin	34	15
<b>Total</b>	<b>1,260</b>	<b>902</b>

## 6. Charitable Activities Expenditure

	Total Funds 2019/20 £000	Total Funds 2018/19 £000
Direct charitable costs	1,769	1,706
Employee costs (see note 10)	2,349	1,981
Grants payable (see note 5)	1,260	902
Support costs (see note 7)	75	124
<b>Total</b>	<b>5,453</b>	<b>4,713</b>

## 7. Charitable Activities Expenditure: Support Costs

	Charitable Activities 2019/20 £'000	Fundraising 2019/20 £'000	Total 2019/20 £'000	Charitable Activities 2018/19 £'000	Fundraising 2018/19 £'000	Total 2018/19 £'000
Governance	9	-	9	11	-	11
Employee & consultancy	43	-	43	71	-	71
Other	23	-	23	42	-	42
<b>Total</b>	<b>75</b>	<b>-</b>	<b>75</b>	<b>124</b>	<b>-</b>	<b>124</b>

Support costs have been allocated as above based on the proportion of employee time spent on each activity. Due to the way in which the teams work, it is not possible to split support costs between grants payable and direct charitable costs.

## 8. Net Income / (Expenditure)

This is stated after charging:

	2019/20 £000	2018/19 £000
Depreciation	12	8
Auditor's remuneration - audit services	10	9
Pension costs	76	52

## 9. Board of Trustee Remuneration, Expenses & Donations

No Trustees received remuneration or benefits in kind during 2019/2020 (2018/2019: £Nil). Travelling and other expenses amounting to £1,580 were reimbursed to or paid on behalf of three Trustees (2018/19 - two Trustees were reimbursed a total of £2,082).

The cost incurred by the charity for Trustee indemnity insurance was £2,000 (2018/19: £2,000).

During the year five Trustees (2018/19: three Trustees) donated, in aggregate, £1,170 (2018/19: £630) to the charity.

## 10. Employee Numbers and Emoluments

The average number of employees (full time equivalent) during the year was:

	2019/20 £000	2018/19 £000
Charitable activities	38	34
Fundraising	2	2
Support	9	9
<b>Total</b>	<b>49</b>	<b>45</b>

Employee emoluments were as follows:

	2019/20 £000	2018/19 £000
Wages and salaries	2,054	1,742
Social security costs	219	187
Pension costs	76	52
<b>Total</b>	<b>2,349</b>	<b>1,981</b>

The total amount of benefits received by key management personnel includes gross salaries and employer pension contributions, was:

	2019/20	2018/19
	£000	£000
# Chief Executive (joined 14 Oct 2019)	49	-
# Executive Director (resigned 13 Sep 2019)	38	93
# Chief Operating Officer (joined 5 Aug 2019)	56	-
# Director – Defence & Security Programme (resigned 13 Mar 2020)	107	50
Director of Policy	83	69
Director of Finance	51	28
Director – Health Initiative	74	69
Director – Business Integrity Programme	80	73
Director – Evidence & Engagement	62	17
<b>Total including gross salaries, employer pension contributions</b>	<b>600</b>	<b>399</b>
<b>Total including gross salaries, employer pension contributions and employer National Insurance contributions.</b>	<b>673</b>	<b>438</b>

# - post holder in position for part of year 2019/20

Number of employees who earned from:

2019/20		
£60,001 – £70,000	-	2
£70,001 – £80,000	2	2
£80,001 – £90,000	-	1
£100,001 – £110,000	1	-
	<b>3</b>	<b>5</b>

The remuneration above includes gross salaries only. Total pension contributions in 2020 for these employees amounted to £14,775 (2019: £20,071).

A termination payment of £13,334 was paid to one employee during the year (2019: nil).

The lowest paid employee, with the exception of interns who are paid the London Living Wage, was paid an annual equivalent gross salary of £26,000 per annum (2018/19: £26,000 per annum). The highest paid employee received 4.04 times (2018/19: 3.38 times) the salary of the lowest paid employee.

## 11. Tangible Fixed Assets

	Equipment & Fitting
	£000
<b>Cost</b>	
At 1 April 2019	63
Additions	-
At 31 March 2020	<b>63</b>
<b>Depreciation</b>	
At 1 April 2019	34
Charge for year	12
At 31 March 2020	<b>46</b>
<b>Net book value</b>	
At 31 March 2020	<b>17</b>
At 31 March 2019	<b>29</b>

## 12. Debtors Analysis

	2019/20	2018/19
	£000	£000
Trade debtors	180	369
Prepayments	67	84
Accrued income	999	70
Rent deposit	43	39
Other debtors	1	6
<b>Total</b>	<b>1,290</b>	<b>568</b>

## 13. Creditors Analysis

	2019/20	2018/19
	£000	£000
Trade creditors	39	275
Accruals	256	95
Social security and other taxes	128	127
Other creditors	-	2
<b>Total</b>	<b>423</b>	<b>499</b>

## 14. Total Funds

### 2019/2020

	Brought Forward	Income	Expenditure	Carried Forward
	£000	£000	£000	£000
<b>Restricted income funds</b>				
UK Anti-Corruption Programme	249	1,812	(1,225)	836
Defence & Security Programme	105	3,634	(2,666)	1,073
Health Initiative	55	1,033	(1,086)	2
	409	6,479	(4,977)	1,911
<b>Unrestricted funds</b>				
	379	634	(570)	443
<b>Total funds</b>	<b>788</b>	<b>7,113</b>	<b>(5,547)</b>	<b>2,354</b>

### 2018/2019

	Brought Forward	Income	Expenditure	Carried Forward
	£000	£000	£000	£000
<b>Restricted income funds</b>				
UK Anti-Corruption Programme	130	1,031	(912)	249
Business Integrity Programme	-	99	(99)	-
Defence & Security Programme	1,147	1,295	(2,337)	105
Health Initiative	3	893	(841)	55
	1,280	3,318	(4,189)	409
<b>Unrestricted funds</b>				
	285	725	(631)	379
<b>Total funds</b>	<b>1,565</b>	<b>4,043</b>	<b>(4,820)</b>	<b>788</b>

Restricted funds are held for the following purposes:

The UK Anti-Corruption Programme funds aim to promote integrity and open governance in the UK.

The funds are for projects that include:

- Corrupt Capital: a programme of research and advocacy seeking to ensure that the UK does not act as a safe haven or clearing house for corrupt funds and individuals
- Corruption in Politics: putting integrity and accountability into the heart of UK politics
- Challenging the UK's role in legitimising corrupt and authoritarian regimes
- Anti-Corruption Summit: moving from promise to practice
- Funding from trusts and foundations for the work of the UK Anti-Corruption Programme, including integrity in the UK, open governance, corrupt capital and leveraging UK leadership

The Defence & Security Programme funds aim to reduce corruption in the global defence and security sector by conducting research, by influencing policy, helping the defence industry raise its standards and for the support of defence and security reforms in countries. Funding has been received from DFID's International Action against Corruption (IACT) programme and the Netherlands Ministry of Finance for projects in support of the work of the Defence & Security Programme, for the development of the Government Defence Integrity Index, for support to the Independent Defence Anti-Corruption Committee (NAKO) in Ukraine and for strengthening CSO engagement with defence institutions to reduce corruption and strengthen accountability in Mali.

The Health Initiative aims to reduce corruption in the global pharmaceuticals and healthcare sectors through a programme of advocacy, partnership and project engagement. Restricted funding relates to the work of DFID's Fiscal Accountability, Sustainability and Transparency (FAST) programme towards the Open Contracting for Health Project.

## 15. Analysis of Net Assets Between Funds

	Restricted Funds 2019/20	Unrestricted Funds 2019/20	Total Funds 2019/20	Restricted Funds 2018/19	Unrestricted Funds 2018/19	Total Funds 2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	17	17	-	29	29
Current assets	1,911	849	2,760	409	849	1,258
Creditors due within one year	-	(423)	(423)	-	(499)	(499)
<b>Total</b>	<b>1,911</b>	<b>443</b>	<b>2,354</b>	<b>409</b>	<b>379</b>	<b>788</b>

## 16. Related Party Transactions

In 2019/20, Savannah Wisdom made a donation of £1,000 (2018/19: £20,000). Shalni Arora, who is a Trustee of Transparency International (UK), is also a Trustee of Savannah Wisdom. There was no debtor balance at the year end (2018/19: £Nil). There were no other related party transactions in the year.



## WE WOULD LIKE TO THANK:

**Our donors and funders** including: DFID, the Netherlands Ministry of Foreign Affairs, UNDEF, Ajahma Charitable Trust, Carnegie Foundation, Foundation Open Society Institute, GlaxoSmithKline, Julia and Hans Rausing Trust, Joffe Charitable Trust, Joseph Rowntree Charitable Trust, Luminare, Network for Social Change, Open Society Policy Centre, Open Society Foundation, David and Elaine Potter Foundation, Savannah Wisdom, Trust for London and individual supporters and those who request anonymity.

Our **Business Integrity Forum members** at 31<sup>st</sup> March 2020: Anglo American, Barclays, BHP Billiton, Brunel, CDC, Clifford Chance, Control Risk Group, Crown Agents, Exiger, FTI Consulting, GlaxoSmithKline, Grant Thornton UK, HSBC, IHG, Lloyds, Meggitt, National Grid, New Age (African Global Energy), Norton Rose Fulbright, Orange UK, Oxford University Press, PwC, RB Group, RBS, RPC, Shell International, Siemens, Subsea 7, The Weir Group, Thomson Reuters, Tullow Oil, Unilever and Vodafone Group.

We thank GlaxoSmithKline HSBC & Ropes and Gray for their contribution to the Thought Leadership programme, and Huawei UK and Ab InBev for their participation in the Standalone Benchmark programme.

Our **111 subscriber members** at 31<sup>st</sup> March 2020.

Our **Advisory Council members**: Peter Berry CMG, President, Edward Bickham, Lord Chidgey, Laurence Cockcroft, Jane Ellison, Baroness Finn, Karina Litvack, Phil Mason, and Lord Wills. The following two members stepped down during the year, Baroness Chalker of Wallasey and Paul Batchelor, and their many years of contribution to TI-UK are gratefully acknowledged.

Peter Berry CMG, Laurence Cockcroft, Sir Ian Andrews and Sir Stewart Eldon for their participation and contribution to various committees.



## STATUTORY INFORMATION

**Transparency International – UK (a company limited by guarantee)**

**Registered Address / Principal Office:**  
10 Queen Street Place, London EC4R 1BE

**Registered Charity Number:** 1112842

**Registered Company Number:** 02903386

### External advisors

**Auditors:**  
Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

**Bankers:**  
HSBC Plc, PO Box 41, High Street, Uxbridge, Middlesex, UX8 1BY

**Solicitors:**  
Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ

### Senior Management Team at 31<sup>st</sup> March 2020

**Daniel Bruce**  
Chief Executive

**Colin Munro**  
Chief Operating Officer / Company Secretary

**Rachel Cooper**  
Director – Health Initiative Programme

**Duncan Hames**  
Director - Policy

**Natalie Hogg**  
Director – Defence and Security Programme

**Naomi Neiland**  
Director – Evidence & Engagement

**Sophie Ogilvy**  
Director – Business Integrity Programme

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Mutual Extortion R  
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US  
n Policy



Accounts Official Linked  
Caught Taking Bribe, Ar

geon "mutilated hundreds  
two decades"



The Airbus DPA has set another  
global corruption cases and se



**Transparency International UK**  
10 Queen Street Place,  
London,  
EC4R 1BE

[www.transparency.org.uk](http://www.transparency.org.uk)  
[twitter.com/transparencyyuk](https://twitter.com/transparencyyuk)

Transparency International UK's  
registered charity number is 1112842.

"Many patient groups have deep ties  
pharma but fail to disclose backing