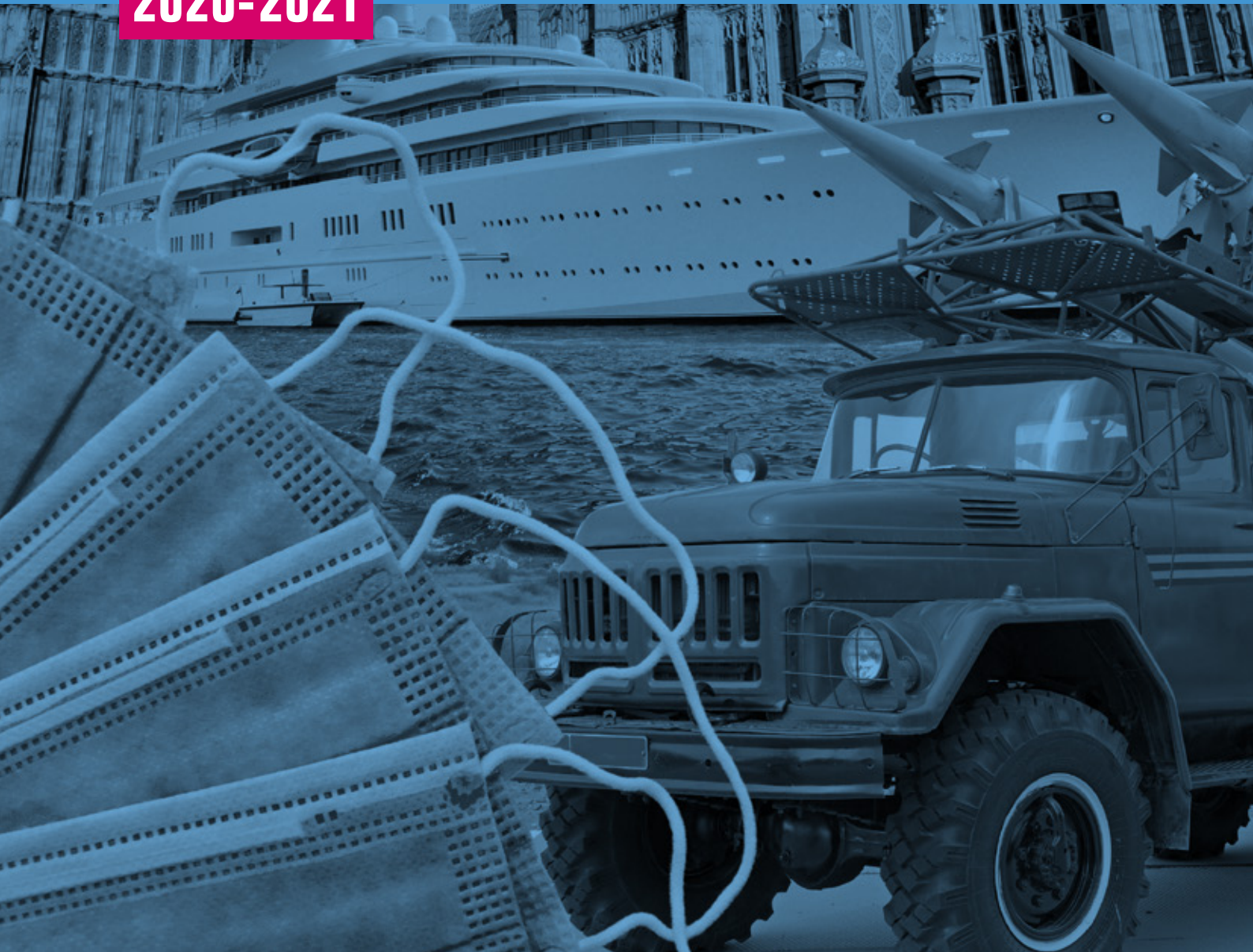




**TRANSPARENCY
INTERNATIONAL UK**
fighting corruption worldwide

ANNUAL IMPACT REPORT AND ACCOUNTS

2020-2021



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. 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.

Our Vision

is a world in which government, business, civil society, and the daily lives of people are free from corruption.

Our Mission

is to stop corruption, promote integrity and, to that end, hold power to account for the common good.

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FROM THE CHAIR AND THE CHIEF EXECUTIVE

Welcome to our Annual Report for the year ended 31 March 2021. The COVID-19 pandemic dominated the year for Transparency International UK as it did for so many organisations. It also underscored the importance of our work at a time when protecting the public's resources, building integrity in the public and private sector and ensuring those who would exploit the crisis for their own gain do not go unpunished could not be more critical.

We rapidly adapted to new ways of working and expanded our focus to include the impact of the pandemic on corruption and transparency. It quickly became clear that the pandemic was the perfect opportunity for the corrupt to operate unhindered while the rest of the world was focused elsewhere.

As the virus claimed millions of lives globally, normal checks and controls were jettisoned by governments around the world, the UK included, in the race for essential supplies. As a result, the risk of corrupt activity increased with its attendant threats to public finances and the overall effectiveness of national responses.

COVID-19 and Corruption

From public procurement to transparency in COVID vaccine and treatment clinical trials, key achievements this year include our work exposing and working to prevent corruption during the pandemic.

Our *Track and Trace* report, which involved months of research and analysis, lays bare how personal protective equipment (PPE) and other COVID response contracts in the UK worth billions of pounds were allocated in what appears to be a partisan and systematically biased way, raising red flags for possible corruption.

The reaction to our investigation was swift and extensive. It was cited in House of Commons debates by MPs, and extensively covered by a wide range of influential media. Our robust evidence will, we hope, feed into the public inquiry into Coronavirus in the UK when it begins in 2022.

We also turned our attention to an equally concerning aspect of the pandemic in *For Whose Benefit*, our investigation into the lack of transparency in COVID-19 vaccine trials and secrecy over vaccine contracts. We found only 12% of COVID vaccine clinical trial protocols were published and only 6% of vaccine contracts worldwide were publicly available. Full publication of trial data is critical for public health and, in this age of vaccine hesitancy, building all-important public confidence.

Global Health

Our work promoting transparency in health procurement – the focus of our multi-year Open Contracting for Health project – could not have been more timely.

Working in close collaboration with our partner Transparency International chapters in five Sub-Saharan and South Asian countries, it brought about real change at a time when transparent procurement of health supplies and infrastructure was more critical than ever. Zambia adopted new procurement legislation. Uganda is piloting a new online procurement system, and the Kenyan President has committed to COVID-19 procurement contracts being published online.

Dirty Money

Following years of public campaigning, 2020 saw a significant step forward in our work to stop the flow of dirty money into the UK. The British Virgin Islands (BVI), the Overseas Territory of choice for those seeking to set up companies to hide the proceeds of corruption, finally committed to introducing public beneficial ownership registers alongside the UK's other offshore financial centres. It is a key step in shutting down a major hub for dirty money and will significantly reduce Britain's role as a facilitator of global corruption.

Meanwhile the UK Government also announced it would be introducing a series of reforms to corporate transparency in the UK. These will include new measures to check the identity of those forming and controlling companies in the UK, although legislation to make this happen is yet to find parliamentary time.

In March 2021 we were called to give evidence to the UK's Standards Watchdog, the Committee on Standards in Public Life (CSPL) about the guidelines for integrity in public office in the wake of at least 30 potential breaches of parliamentary and ministerial rules in 2020. Our position was clear: current checks and balances are no longer working and the Ministerial Code should become legally binding.

Local government, and specifically the corruption and conflict of interest risks in planning decisions, was the focus in our *Permission Accomplished* report. Its recommendations have already been taken up and endorsed by councils, local politicians and an MP around the country.

Business Integrity

As UK businesses increasingly look to trade outside of Europe post-Brexit, many find themselves facing serious corruption risks as they operate in new jurisdictions. To underscore this new reality, visits to our free [Global Anti-Bribery Guidance](#) jumped by nearly 69% this year as businesses rush to seek guidance on how to operate safely.

With the rise of bribery and corruption risks in the corporate world, our Business Integrity team's major report of the year, *Make It Count*, makes a compelling case for companies to ensure their Anti-Corruption programmes are effective, rather than just tick box compliance. It has been highly praised by senior figures from some of the UK's biggest businesses. It will be used in the coming months to encourage others to follow suit.

Defence and Security

With two major pieces of work coming to fruition in the year, it's been a bumper 12-months for our Defence and Security programme.

After two years of research and analysis into the multi-million-dollar global arms industry, we published the 2020 Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI). It is the only global index that measures the commitment to transparency and Anti-Corruption of the world's notoriously secretive leading defence companies. Disturbingly, it found that nearly three-quarters of them show little to no commitment to tackling corruption.

The programme also published the latest Government Defence Integrity Index (GDI) data for Eastern Europe. The index assesses the vulnerability to corruption of a country's defence institutions. Letters were received from the Ministers of Defence in North Macedonia and Latvia commending the work for helping them to improve transparency and accountability. The final GDI global results will be released at the end of 2021, concluding a mammoth multi-year project.

Global Standards

Our project monitoring the global commitments made at the 2016 London Anti-Corruption Summit wound up in March 2021. *From Practice to Impact* took stock of progress made on 180 commitments by around 20 countries in the key areas of beneficial ownership transparency, asset recovery, public procurement and whistleblowing protection.

The overall trend over the past two years has been gradual progress towards higher implementation of commitments – an increase of 18 per cent, from 60 per cent in October 2018 to 77 per cent in October 2020.



Fiona Thompson

Trustee Chair



Daniel Bruce

Chief Executive

Advocacy

Our robust research has created a strong foundation this year for compelling advocacy with the UK government and private sector. Media coverage of our reports and calls for action have soared too, domestically and globally. Our Track and Trace report, for instance, achieved more than 293 mentions in national and global media.

We are particularly proud of these achievements in what has been such a challenging year for everyone.

Like many charities, fundraising and income generation was hampered by the pandemic. During the year, we had to take some difficult decisions in relation to our people and the future size of the organisation in order to remain financially resilient. Our annual planning and budgeting for 2021/22 has successfully adapted to meet these risks.

Throughout the year, we worked through the constraints of an almost entirely 'virtual setting' to complete our new ten-year strategy. Launched in February, *Stopping Corruption, Promoting Integrity* is aimed at improving policy, advancing practice in public and private sectors, and promoting action to fight against corruption. In recognition of how the techniques used by the corrupt are constantly evolving, this new strategy includes a new focus on technology, including Artificial Intelligence and cryptocurrencies.

We believe that this year has been a stark reminder of the need to keep up the fight against corruption. We thank all of our supporters for making this possible.

OUR THEMES

UK corruption

The UK requires strong institutional defences against corruption, backed up by a culture of integrity in public institutions.

Dirty Money

The UK has a responsibility to ensure there are adequate defences against money laundering, backed up by transparency, accountability, and an adequate legal framework and law enforcement.

Role of Private sector

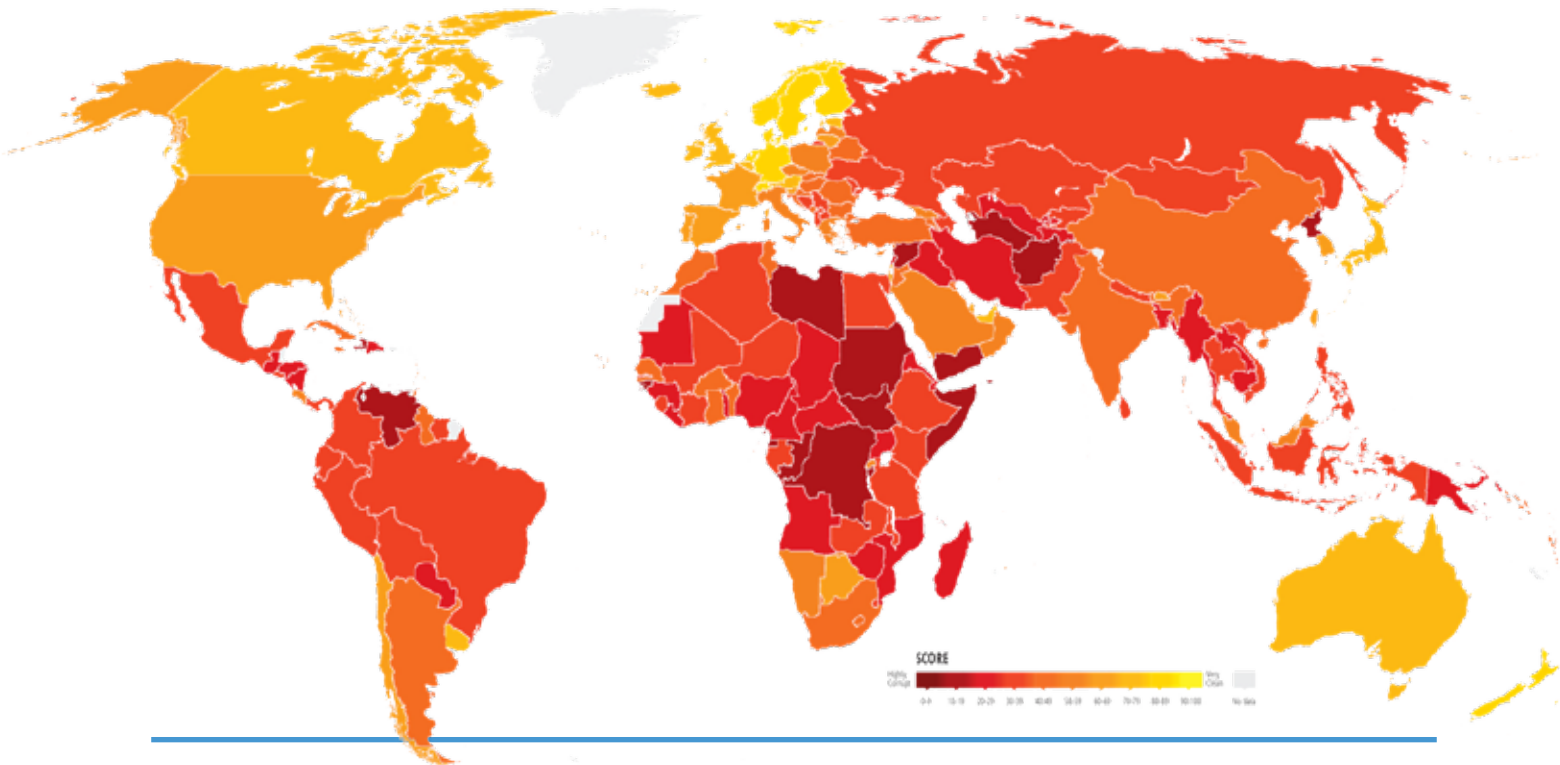
The private sector is a key player in the fight against corruption and must be held to account when complicit.

Defence & Security

Powerful, secretive and vulnerable to corruption, when the governance of defence fails, it can lead to instability and conflict, draining vital resources. We aim to break corruption's role in this vicious cycle.

Global Health

Corruption in global healthcare is widespread, and has a direct, immediate and highly damaging human impact.



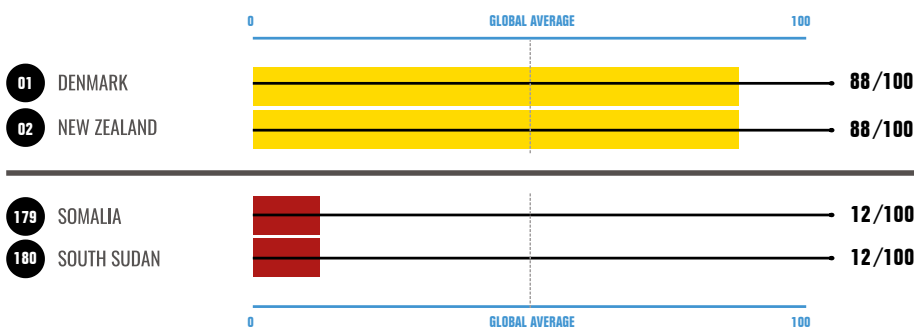
CORRUPTION PERCEPTIONS INDEX

Transparency International’s annual Corruption Perceptions Index (CPI) went ahead despite the pandemic and underscored how corruption remains a persistent and growing issue for most countries.

The CPI scores and ranks 180 countries and territories based on how corrupt their public officials and institutions are perceived to be by business leaders and experts.

Two-thirds of countries scored less than 50 out of 100, with the average score 43, underlining the threat posed by bribery, diversion of public funds and the use of public office for private gain.

▲ TOP COUNTRIES



Denmark (88) and **New Zealand (88)** tied for first place. **Syria (14)**, **Somalia (12)** and **South Sudan (12)** came last.

The **UK's** score (77) remained stagnant and outside the top ten for the second year running, sending a clear signal, backed up by the year’s events, that there must be no complacency when it comes to the integrity of our own public institutions.

▼ BOTTOM COUNTRIES



CORRUPTION AND THE UK

We have seen momentum growing considerably this year towards achieving our long-term goals of beneficial ownership registers across the UK and its territories, as well as increased corporate transparency. A combination of our robust evidence-based research and targeted advocacy have been key to significant developments over the last 12 months. But we are keenly aware that we will need to keep up the pressure to get government commitments over the line into law.

Protecting the public's resources has also been central to our work in this pandemic year when shortages of medical supplies and equipment regularly dominated headlines. Our investigations into COVID-response procurement and NHS England commissioning processes have played a critical role in the public debate about the integrity of our systems.

Stopping the Flow of Dirty Money

Following years of public campaigning by Transparency International and other charities and activists, the British Virgin Islands (BVI) finally committed to introducing public beneficial ownership registers alongside the UK's other offshore financial centres. Our previous research identified at least 1,201 companies incorporated in this jurisdiction in 90 per cent of major corruption cases with a nexus to the Overseas Territories. Lifting the veil of secrecy over corporate ownership in this territory will help close down one of the world's major hubs for money laundering.

In the same month, the Government announced its intention to introduce a series of sweeping reforms to corporate transparency in the UK. Following the revelations in our publication: **Hiding in Plain Sight**, and our subsequent advice, it proposes to include measures to check the identity of those forming and controlling companies in the UK. When implemented, this should close a major loophole that has allowed the abuse of legal entities here in some of the biggest corruption scandals in recent history.

A series of collaborations with journalists and our own investigations' capability has helped keep up pressure for concerted action on the UK's Dirty Money problem.



Protecting the Public's Resources

Our study of public procurement in the UK during the pandemic, **Track and Trace**, revealed that more than 20 percent of money spent by the government on purchases in response to COVID-19, raised red flags for corruption, and appeared biased in favour of those with political access. We reviewed nearly 1,000 Personal Protective Equipment (PPE) and COVID response contracts worth a total of £18 billion; seventy-three contracts, worth more than £3.7 billion, raised one or more red flags for possible corruption, including contracts awarded to those with political connections to the Conservative Party, and others to companies with no track record of supplying goods or services. The report was cited in the House of Commons and widely covered in influential media, appearing in 293 news stories. We will be using the coming year to further advocate for our recommendations to be implemented in the wake of the Government's Green Paper on procurement.

As the UK government announced reforms to local NHS commissioning in England, our report **Declare Conflicts, Manage Interests, Protect the NHS** identified conflicts of interest in the outgoing system that put substantial amounts of public money at risk and should not be repeated. There is a significant opportunity in the coming year to address critical issues including poor management of potential conflicts of interest and inadequate clarity over responsibility for key decisions relating to billions of pounds of public money.

Securing Integrity in Politics

The attention created by political scandals over the last year has helped us to push for improvements to secure greater integrity in public office. We gave evidence to the UK Committee on Standards in Public Life (CSPL) in March about the guidelines for integrity in public office. We called for tougher sanctions, including the Ministerial Code to become legally binding, to ensure high standards of behaviour from UK politicians.

From the Westferry debacle to the Greensill affair, and in the wake of at least 30 potential breaches of parliamentary and ministerial rules in 2020 alone, our research, policy and media interventions have made the case for greater transparency over lobbying and taking big money out of UK politics.

Working with our colleagues in the Scottish Alliance for Lobbying Transparency, we have also seen our arguments for improving openness over access and potential influence in Holyrood accepted by the Scottish Parliament.

We have also expanded our work to reach into integrity issues in local government in England, securing adoption of our policy recommendations from Kent and Devon to Liverpool.





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PERMISSION ACCOMPLISHED

Permission Accomplished highlighted the corruption risks in planning decisions in local government. Since the report launch in July 2020, we have been working with councils across England to improve essential safeguards against councillor impropriety in this process.

Liverpool City Council, one of the authorities featured in our report, has been rocked by a police investigation into alleged bribery and witness intimidation relating to local property deals. Working with a local MP, we created a 10-point plan for reducing the risk of this recurring. This was endorsed by the majority of candidates in the election for City Mayor, including the successful candidate in the May 2021 election.

Following our recommendations, East Devon District Council has updated rules on councillors' meetings during the pre-application stage for major projects.

Folkestone and Hythe Council has improved its planning protocol and the way transparency data, such as registers of gifts and hospitality, are published in response to the report. It has also improved the reporting of the outcome of complaints against councillors – one of our key proposals.



BUSINESS INTEGRITY

Businesses the world over struggled to survive the brutal economic climate brought on by the pandemic. In the UK, companies faced a double whammy of COVID-19 and Brexit turning their trading environment upside down. The reverberations of both will be felt for many months to come. What is clear is that Brexit has meant many UK businesses have begun to trade in new riskier jurisdictions, outside Europe, with less zealous approaches to fighting corruption.

Improving Business Practice: Online Training, Guidance, and Events for Businesses

Online courses have come into their own this year, with employees working remotely and in some cases with more time on their hands. Our 'Doing Business without Bribery' online training continues to be used by companies looking for free or customisable training for their teams. Our regularly updated Global Anti-Bribery Guidance portal which gives the latest information on legislation and regulations has seen a 69 percent increase in visitors this year. Total visits jumped from 10,166 to 17,182.

Business Integrity Forum and Anti-Corruption Benchmark

Our Business Integrity Forum and Anti-Corruption Benchmark, which measures and compares Anti-Corruption programmes, brought together leading FTSE 100 businesses to brainstorm and collaborate on approaches to fighting corruption. We hosted six events with expert speakers throughout the year for our Business Integrity Forum and four in-depth roundtable discussions for participants in our Anti-Corruption Benchmark. Topics included: Corporate Political Engagement; Artificial Intelligence and Anti-Corruption; Measuring the Effectiveness of the Corporate Approach to Anti-Corruption; Europe and Russia Corruption Risk Roundtable; and Joint Ventures, Mergers and Acquisitions.

Measuring Effectiveness of Anti-Corruption Approaches in Business

With businesses pouring huge sums into legally required Anti-Corruption and Anti-Bribery programmes, our report **Make it Count** highlights how critical it is to understand their impact. Our research highlights how companies lack guidance and resources to assess whether their approach to Anti-Corruption is working. It is based on a series of in-depth interviews with compliance professionals from major multinationals, academics and other Anti-Corruption professionals. It serves as a guide and provides solutions to challenges companies are likely to face, offering initial practical steps to begin measuring the effectiveness of Anti-Corruption approaches. By measuring which actions have the most impact and adapting their approach accordingly, companies can help prevent corruption in their operations, build investor confidence, and improve their bottom line. The report has already been highly praised by leading compliance professionals in some of the UK's biggest companies. In the year ahead, we will use the report to influence the debate around Anti-Corruption best practice.

Advocacy

We contributed to **Exporting Corruption**, Transparency International's bi-annual report for the OECD Anti-Bribery Working Group, which was published this year. It assesses which countries are actively enforcing corporate foreign bribery laws. It holds law enforcement agencies to account for their role in ensuring the UK Bribery Act is a credible deterrent.



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BUSINESS INTEGRITY ADVOCACY – ‘OPEN BUSINESS’

Targeted advocacy aimed at the government and the private sector is a core part of our approach to influencing and driving integrity and increased transparency in business. Our 2020 report, *Open Business* set out the case for greater corporate transparency to reduce corruption risk and build consumer, investor and public trust. It presents a realistic roadmap to better corporate practice with principles companies can apply to their specific needs.

Using the report's findings, we have been working to ensure legislatures, standard setters and companies include robust requirements for Anti-Corruption transparency. We contributed to the EU Non-Financial Reporting Directive consultation to improve company Anti-Bribery and corruption reporting. We also participated in the Church of England Pension Trust consultation on climate lobbying disclosures, the ICC consultation on Whistleblowing Guidance, a Financial Reporting Council consultation on the Future of Corporate Reporting, and the World Benchmark Alliance methodology consultation.



GLOBAL STANDARDS

Promise to Practice: Following the London Anti-Corruption Summit Commitments

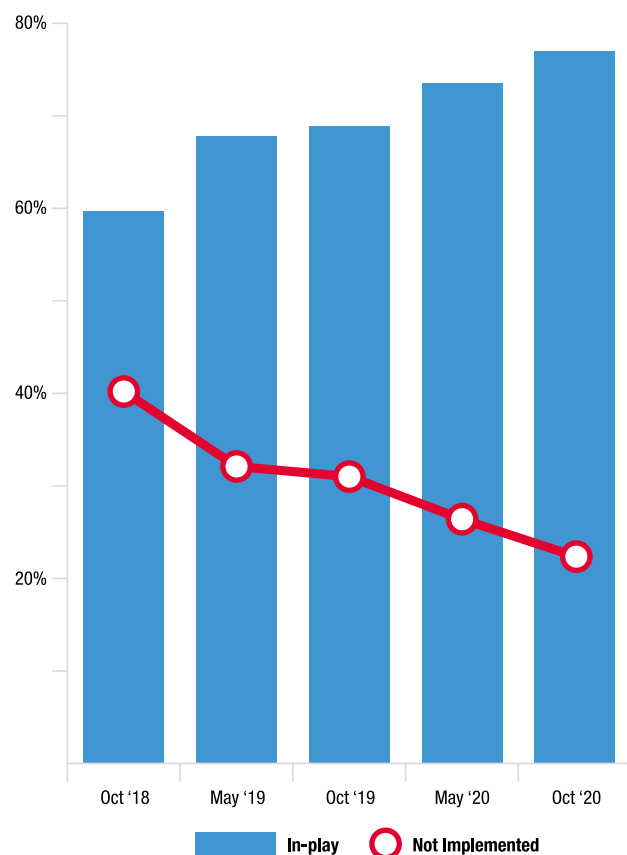
This year marked five years since the landmark 2016 London Anti-Corruption Summit, where 43 countries signed up to ambitious targets to reduce corruption and its toll on their citizens. In total 648 commitments were made, though no formal monitoring process was established. Transparency International's Promise to Practice project took up that task, monitoring the progress of commitments made by around 20 countries. Our approach centred on grassroots advocacy, by working with national partners to build pressure for the implementation of commitments specifically in Afghanistan, Jordan, South Africa, Sri Lanka and the UK. As the project came to an end in March 2021 **From Practice to Impact** assessed the impact it had on bringing those commitments to life.

It is an encouraging picture. The overall trend over the past two years of the project highlights gradual progress towards higher implementation of key commitments in Beneficial Ownership Transparency, Asset Recovery, Public Procurement and Whistle-blower Protection.

Between October 2018 and October 2020 there was an 18 percent increase in overall implementation from 60 to 77 percent (see graph). Commitments on whistle-blower protection and asset recovery fared particularly well; 91 percent and 87.5 percent of commitments respectively are in the process of or have been implemented.

Highlights include the Afghan cabinet recently approving a regulation on beneficial ownership, after consultation with civil society and the publication of an online version to allow for public comments. In Jordan, the Government is exploring beneficial ownership reform and is drafting new laws on political financing and illicit finance. It has also given power to its Integrity and Anti-Corruption Commission to seize and freeze assets in cases of suspected money laundering. In Sri Lanka, work is ongoing to establish a victims and witness protection programme.

Progress on Commitment Implementation





SOUTH AFRICA EMBRACES THE FIGHT AGAINST CORRUPTION

A vaguely worded statement from South Africa that it would continue to redraft its Anti-Corruption strategy was the closest South Africa came to making a commitment at the 2016 London Anti-Corruption Summit. However, Corruption Watch, Transparency International's chapter in South Africa, launched a campaign and public consultation to spread the word. In April 2019, the South African Government invited Corruption Watch to provide strategic advice and ensure its quality.

Two years later, in 2021, the country's National Anti-Corruption Strategy was passed. It incorporates best practice on Beneficial Ownership Transparency and Open Contracting Data Standards, a reflection of the influence of the Promise to Practice project. These features have been adapted to reflect the country's needs, focusing on enhanced ethical leadership across sectors, including state owned enterprises, politics, and traditional leadership in rural areas. It also incorporates Anti-Corruption measures across all sectors of society and government bodies.



DEFENCE AND SECURITY

With two major pieces of research coming to fruition this year, the last 12 months has seen meaningful engagement with governments, industry and civil society as Transparency International Defence and Security advocates for increased governance and transparency in the sector.

Key highlights have been the publication of the latest waves of data from our world-leading assessment of corruption risks in defence establishments, and publication of our analysis of Anti-Corruption processes and corporate transparency in the multi-billion-dollar global arms industry. The pandemic also created urgent new areas of work for the programme as nations around the world militarised key state functions in the name of responding to COVID-19, often with no end date in sight.

Defence Integrity in Central and Eastern Europe

The Government Defence Integrity Index 2020 (GDI) data for Central and Eastern Europe was published in December 2020, revealing the risk of corruption in each of 15 countries in the region. More than half face a high risk of corruption in their defence and security sectors – with an average score of just 48/100, based on 15 different criteria. Compounding the risk was the spiralling military expenditure in the region, as states continue to modernise their forces.

Working with Transparency International chapters in each country, the new data enabled us to build understanding of the risks faced and obtain commitments to improve defence governance.

The Index has paved the way for significant engagement with governments, Anti-Corruption officers, parliamentarians, and civil society. Eleven of the fifteen assessments that make up the index were reviewed by each government, underscoring the significance of the index. The final wave of data will be published in autumn 2021.

Defence Companies Index 2020

The **Defence Companies Index on Anti-Corruption and Corporate Transparency (DCI)** seeks to improve transparency and reduce corruption in the defence sector. It assesses the levels of commitment to these processes in the corporate policies and procedures of 134 of the world's largest defence companies across 38 countries. It is based entirely on publicly available information. Fifty-nine defence companies actively engaged with the index.

The index revealed that while many companies have publicly available ethics and Anti-Corruption programmes in place, the majority of major defence contractors are still not transparent about their policies and procedures when it comes to supply chains, agents and intermediaries, joint ventures and offsets. Since its launch in February 2021, we have presented key findings to a range of industry, legal, investor, civil society and media audiences, generating discussion and engagement with defence companies and industry associations worldwide.

COVID-19 & Defence and Security

Globally COVID-19 has significantly affected the role of defence and security sectors. We have seen the rapid increase in the militarisation of key state functions, especially of internal security sectors and the procurement and logistical aspects of the public health response. It has led to armed forces playing a leading role in policy decisions. Meanwhile, normal oversight mechanisms have been weakened by the urgency of the pandemic response. We have worked to identify and monitor these trends, and to make recommendations to limit their impact on response efforts and wider peace and stability.

Undue Influence of the Defence Sector

The programme published an innovative analysis of how the close links between the defence industry and governments in Europe are jeopardising the integrity and accountability of national security decisions. Findings from Germany and Italy reveal how defence companies can influence policy through political donations, privileged meetings with officials, funding of policy-focused think tanks and the ‘revolving door’ between the public and private sector. These ‘pathways’ can be utilised by any business sector, but when combined with the huge financial resources of the arms industry and the veil of secrecy under which much of the sector operates, they can pose a significant challenge to the integrity and accountability of decision-making processes – with potentially far-reaching consequences.

Security Sector Reform

The Defence and Security programme has contributed to the debate on integrating Anti-Corruption measures into Security Sector Reform (SSR) programmes in fragile states. For decades, stability in West Africa has been severely disrupted by internal conflicts, commonly financed by the illegal sale of arms or the illicit extraction of natural resources.

Our reports **The Common Denominator** and **The Missing Element** argue that, given the significant threat that corruption presents to peace and stability in West Africa, a greater focus should be placed on Anti-Corruption work within security sector reform and governance (SSR/G) in order to achieve long-lasting peace.

Following these reports, we have been asked to contribute as part of a network of experts convened by UN Office Rule of Law and Security Institutions (UNORLSI).

Supporting NATO

We worked with NATO this year to reinforce understanding of the role and risks of corruption in international military operations. The programme supported NATO with planning, and providing corruption related storylines in a major strategic, operational, and tactical-level Joint Command Post Exercise aimed at NATO command and force structures. By incorporating corruption scenarios into NATO exercises, shortcomings in planning processes can be identified and can feed into guidance passed on to future NATO personnel.



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PROGRESS (UN)MADE

Progress (UN)made, Defence Governance in Central and Eastern Europe, sets out five key areas of defence governance where improvements are urgently needed to mitigate corruption risks: parliamentary oversight, defence procurement, transparency and access to information, whistleblowing, and military operations.

Our national partners in Ukraine and Macedonia held high-profile launch events with government representatives; Transparency Lithuania briefed the parliamentary Defence and Security Committee. We worked closely with our national partners, providing briefings and advice for governments, parliaments and the media. Following the report launch, the Defence Ministers of North Macedonia and Latvia wrote to us, commending the project for helping them to improve transparency and accountability.



GLOBAL HEALTH

The pandemic could not have been a more brutal reminder that well-managed, transparent and corruption-free health systems are the most effective way to ensure as many people as possible get the health care they need.

Even before the pandemic, corruption drained over US\$500 billion from health systems around the world every year. Over the last year, Transparency International Global Health has worked to highlight and implement solutions to prevent opportunities for corruption, improving the global COVID-19 response; from clinical trials and research to procurement and health care delivery.

COVID-19 Vaccines

For Whose Benefit, our analysis of clinical trial data for the world's top COVID-19 vaccines and nearly 200 contracts for vaccine sales revealed a pattern of poor transparency and governments censoring key details of their orders.

Of the 86 registered COVID-19 clinical trials, fewer than half had been published. Clinical trial protocols were published for just 12 percent of the trials. For vaccine contracts, only seven percent of 183 contracts for 12 different Covid vaccines were officially published, and only one without redactions. The lack of publicly accessible data creates dangerous space for half-truths, disinformation, and conspiracy theories, which contribute to vaccine hesitancy and inhibit the success of the global pandemic response.

The global publicity around this piece of work has already resulted in a Canadian MP inviting the authors to give evidence at a parliamentary hearing on COVID-19 vaccine procurement. In the coming months, we will be using the report to further advocate for national governments to adopt and enforce legislation requiring registration and publication of results within a year. We will also be calling for vaccine developers to publish their clinical trial protocols on a publicly accessible registry.

Open Contracting for Health (OC4H)

Our project to increase transparency in the health sector across five countries in Sub-Saharan Africa and South Asia has resulted in real change: a result of collaboration with other Transparency International chapters, which combined powerful local advocacy and grassroots reach with our expertise in transparent and corruption-free health procurement. Zambia adopted new procurement legislation, Uganda is piloting a new online procurement system, and the Kenyan President committed to COVID-19 procurements being published online.

Concern over shortages of medical supplies and access to care during the pandemic reinforced the importance of corruption-free health procurement for local communities. Partner Transparency International chapters trained a total of seventy journalists how to investigate procurement irregularities. Three chapters have also trained local monitors to oversee hospital and clinic building and other procurement projects. Community monitoring has now been established in over 130 locations, helping ensure the quality and cost effectiveness of local health care infrastructure – avoiding a repeat of previous corruption linked issues. In addition, our partner chapters have raised public awareness of the importance of corruption-free procurement, appearing in media coverage on its critical role in the health of all citizens.

Emergency Procurement Tracker

Global Health has also been investigating transparency and equity issues in the COVID response with our Emergency Procurement Tracker, a portal created to analyse emergency procurement information and map key equity statistics. Data from five countries, Kenya, the Kyrgyz Republic, Mexico, Moldova and the UK has been fed into the tracker in this first stage of the project. The tracker enables easy visualisation and cross-country comparisons on COVID-19 procurement. It highlights red flags for corruption and the cost of national responses, helping civil society and governments to understand their procurement decisions during the pandemic and to advocate for stronger, more transparent health systems going forward.

Corruption in Healthcare Delivery

We also published [The Ignored Pandemic Behind COVID-19: the impact of corruption on healthcare service delivery](#), a follow up to our earlier [Ignored Pandemic](#) report. The study looked at the forms of corruption in healthcare service delivery being seen during the COVID-19 pandemic, bringing together examples from around the world.





UGANDA'S PROCUREMENT MONITORS

In Uganda, the national Transparency International chapter has trained community monitors to watch over the building of health centres and other construction as part of the Open Contracting for Health (OC4H) project. In Lira County, Aisha Ayebare from Kigando Rweishama council was trained to lead a team of community monitors who oversaw the upgrade and expansion of a health centre so that it could house a maternity ward and diagnose and treat complex medical issues.

Aisha and her team had access to the building contracts, observed all aspects of the construction process and worked closely with the district engineer and site foreman. Aisha said, "We had been taught how to monitor works and we were able to make sure that the contractors used the specified materials in the right quantities, to the required standard." Underscoring the value of the monitors, in one incident, a contractor tried to use poor quality bricks, rather than those that had been paid for. The monitors tested the bricks and informed district officials who ensured the building materials were replaced, averting a future building collapse as had happened previously.

A YEAR IN EVENTS AND OUTREACH

With the pandemic ruling out in-person events, we turned to virtual platforms to keep up the momentum for legislative change and to amplify our calls for action. With participation in government hearings, global coalitions, and expert panels, combined with a 350 percent year on year increase in influential UK and global media coverage, we have kept the issue on the agenda despite the pandemic.

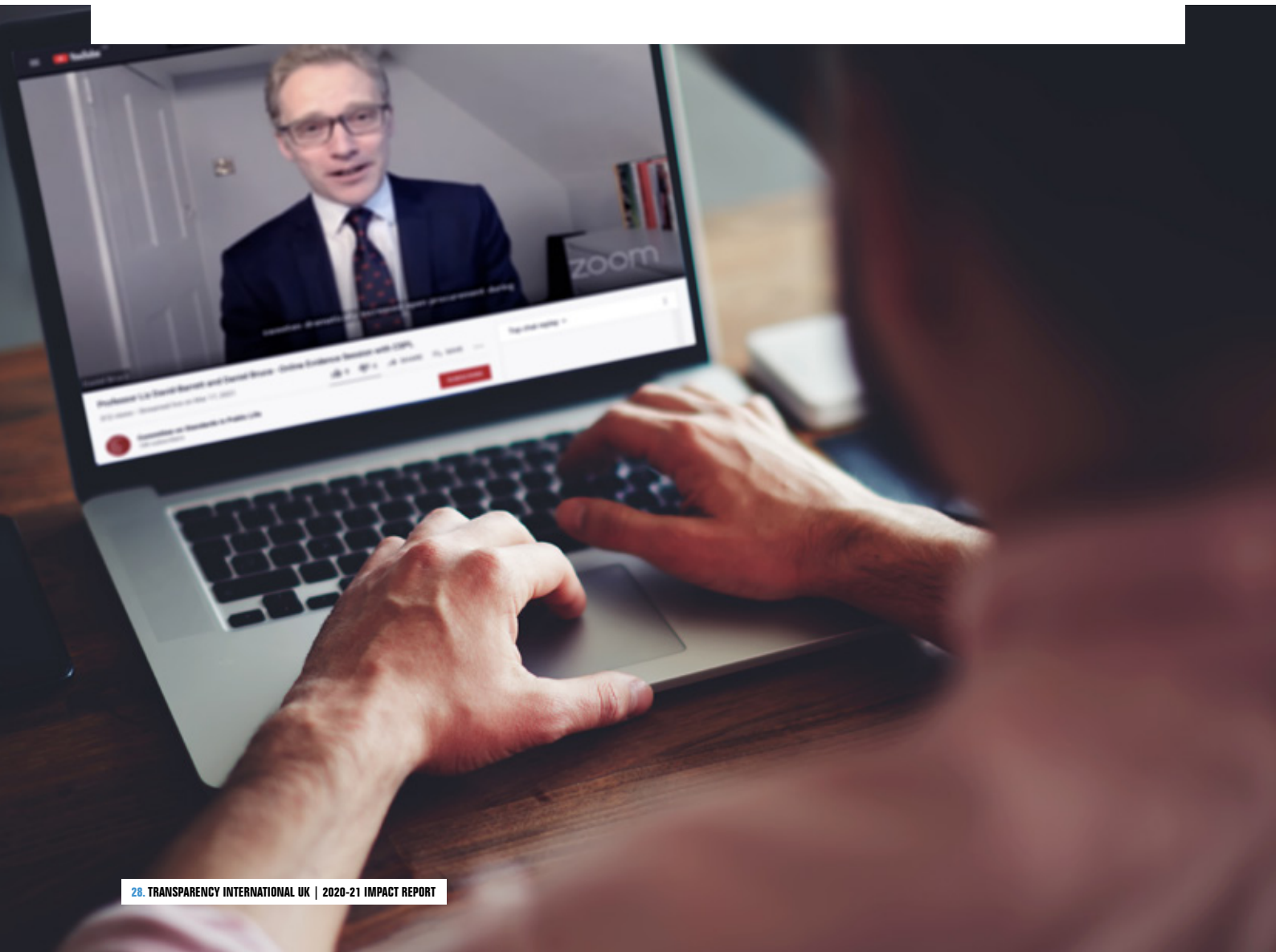
We continue to Co-Chair the UK Anti-Corruption Coalition and we are active members of the Joint Money Laundering Intelligence Taskforce (JMLIT) bribery and corruption working group. We are also members of Publish What You Pay UK and Action for Global Health (AfGH).



KEY EVENTS

Key events in which we participated this year included giving evidence to the UK Committee on Standards in Public Life and to the House of Common Standards Committee on MPs' Code of Conduct, the International Anti-Corruption Conference, the Organisation for Economic Co-operation and Development (OECD) Anti-Corruption and Integrity week, World Bank Public Healthcare Procurement during the Pandemic and the International Code of Conduct Association (ICoCa)

We did however postpone our annual lecture to winter 2021, with the hope we will be able to stage an in-person event.



OUTREACH

Social media –

Twitter; **1.69 million** impressions, **3,194** new followers.

72% annual increase in growth of followers.

LinkedIn; **171,360** impressions, **3,242** new followers.

201% annual increase in growth of followers.

Websites –

• TI-UK: **186,439** visitors

• TI-Defence and Security **18,587**

• TI-Global Health: **13,872**

Media –

1,424

quotes, interviews and citations.

287% annual increase.

WHAT'S NEXT: OUR STRATEGY 2021-2030

In February 2021 we launched our new ten-year strategy, ***Stopping Corruption, Promoting Integrity***. It builds on our achievements and the momentum we have created in key areas of the fight against corruption in the UK, where the UK has influence and in defence, security and global health

We will also focus on new areas of corruption risk, including cryptocurrencies and Artificial Intelligence.

Our aim is to improve policy, advance practice in public and private sectors, and promote action to fight against corruption. In this way we hope to counter the lack of accountability we have seen in the UK over the last year and raise public awareness about the extent and consequences of corruption.



This strategy commits Transparency International UK to increase its focus on improving practice in the public and private sectors, and to promote action to fight corruption

NEW STRATEGY KEY THEMES

- 1** Stop the flow of Dirty Money
- 2** Protect the Public's Resources
- 3** Secure Integrity in Politics
- 4** Drive Integrity in Business
- 5** Incubate New Projects and Partnerships to Tackle Corruption

We have made real progress in the past year despite the disruption caused by the pandemic, but of course there is much work still to do.

In the short term, that includes advocating for increased corporate transparency, pursuing change that discourages business from facilitating corrupt practices globally, and advancing accountability.

For our defence and security and global health programmes, that means continuing to work towards transparency, and highlighting the devastating impact of corruption on health care and its dangerous links to conflict and insecurity.

We are optimistic that this new strategy based on targeted advocacy backed up by our respected evidence-based research and growing global recognition of the urgent need to fight corruption, will ensure that the coming years bring more successes in our fight against the scourge that is corruption.

ANNUAL REPORT & ACCOUNTS

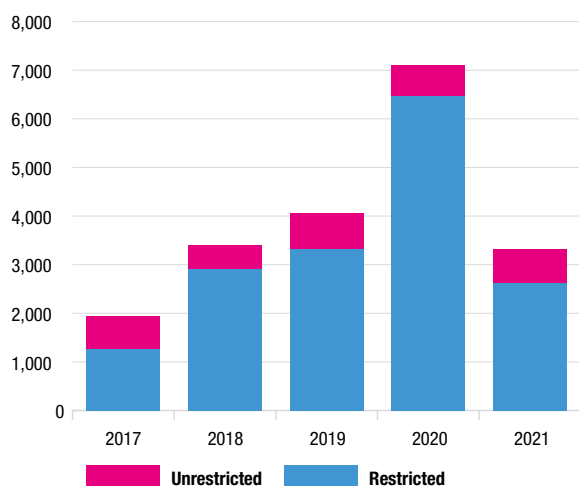
2020-2021

The Trustees report (which includes the Directors report required by Company Law), comprises the contents of the Impact Report and the section of the Annual Review and Accounts between pages 33 and 40.

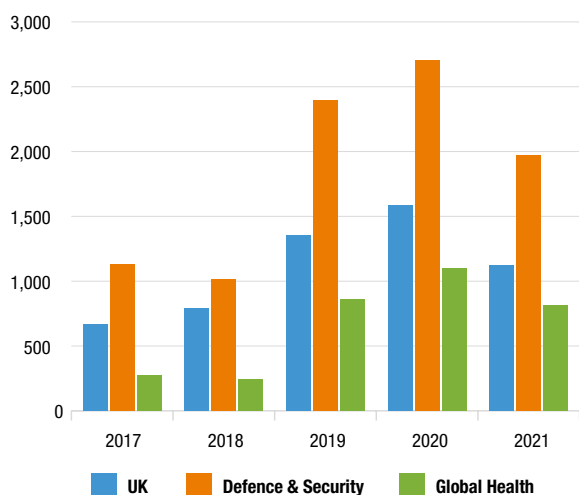
Financial Review

Income from all sources was £3,321,000 in the year to 31 March 2021 (2019/20: £7,113,000). The five-year graphs show significant changes to the restricted income received and the associated expenditure, particularly where sums are received late in the financial year but the activities and their expenditure occur in the subsequent year. Of the income received, £2,631,000 (2019/20 £6,479,000) was restricted for specific programmes and projects, largely made up of grant income. The remaining income of £690,000 (2019/21 £634,000) was unrestricted, comprising grants, donations and TI-UK membership income as well as revenue generated by the Business Integrity Programme (BIP), through membership of the Business Integrity Forum (BIF) or Thought Leadership donations. Unrestricted income remains important to the financial sustainability of the charity.

Total Revenue (£'000)



Programme Expenditure (£'000)



Expenditure for the year reduced by 27 percent to £4,015,000 (2019/20 £5,547,000). The majority, 99 percent, went towards charitable activities and one percent to raising funds. The programme expenditure reductions between 2020 and 2021 reflect the well-publicised decrease in funding from the UK government, across all three programme areas. In order to ensure the financial resilience of the organisation a series of cost reductions were implemented during 2020 with a reduction in headcount in the international programmes and shared services as well as office costs. The charity made a total deficit for the year of £694,000 (2019/20 £1,566,000 surplus). This comprised a deficit on restricted funds of £1,080,000 (2019/20 £1,502,000 surplus) as a significant amount of the funds had been received in the prior year for work undertaken in this year, and a surplus on unrestricted funds of £386,000 (2019/20 £64,000).

The COVID-19 global pandemic has placed restrictions on travel and required office colleagues to work for the most part remotely since March 2020. External meetings and fundraising events have been paused. We have utilised the government support packages including the delayed VAT payment and where possible use of the Coronavirus Job Retention Scheme due to business interruption to furlough one employee. Revenue budgets and cash flow forecasts have been regularly stress tested given the uncertainty of the disruption that the pandemic continues to have.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern (see also Accounting Policies (Note 1)). The Trustees have reviewed the financial position, budgets and cash flows for the period to September 2022 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 2021 amounted to £1,660,000 (2019/20: £2,354,000) of which unrestricted reserves amounted to £829,000 (2019/20 £443,000) and restricted reserves amounted to £831,000 (2019/20 £1,911,000). The charity also has a small amount of reserves tied up in fixed assets, amounting to £7,000 at 31 March 2021 (2019/20 £17,000), leaving free reserves at 31 March 2021 of £822,000 (£2020/21 £426,000)

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 unrestricted reserve within a range of £800,000 to £850,000. 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 the global pandemic. The level of unrestricted free reserves at present meets the targeted range going into the next financial year. The key risk that could arise in the year ahead relates to a need to maintain programme delivery (principally for international 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.

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 (now Nominations & Governance) is responsible for setting the remuneration of the Chief Executive. The Chief Executive sets the remuneration of members of the senior leadership team in consultation with the Finance, Risk and Audit 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 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 £501,000 (2019/2020: £1,260,000) and for a full list, see note 5 to the accounts.

Future plans

During 2020 the Trustees and the Senior Leadership Team along with employees and key stakeholders developed the new strategy Stopping Corruption Promoting Integrity 2021-2030. Three inter-connected goals supported by planning, collaboration and execution seek to further our mission at an increased pace:

- We advance policy: use research, evidence & advocacy to drive the use and improvement of law, regulation, systems and policy to deter and pursue corruption
- We improve practice: drive the public and private sectors to change behaviours, attitudes and stop corruption
- We promote change: share knowledge, create pressure and reduce opposition, mobilise and support allies to tackle corruption.

The Trustees approved the 2021/2022 Annual Plan aligned to the new strategy in February 2021.

The priorities are:

In the UK:

- Reform of UK company registries, better supervision of anti-money laundering defences, and transparency of UK property ownership by overseas companies.
- Seeking stronger public procurement rules and restoring controls in place prior to the pandemic response.
- Strengthening the institutional defences against corruption risks in public life, including progressing a new offence of corruption in public office.
- Enhancing practice in corporate anti-corruption programmes through new insights into measuring effectiveness and the contribution of values to company compliance.
- Incubating new projects and partnerships including assessing the context-specific challenges and opportunities for delivering our mission in the four nations of the UK; focussing on Scotland in 2021/22. Leveraging our knowledge of illicit finance and money laundering to provide specialist support to banking and professional services to address the risks and scoping and resourcing work to support UK Small and Medium Sized Enterprises to export with integrity.

Internationally:

In Global Health working with partners across the movement to address global corruption risks in the delivery of COVID-19 vaccines. Piloting a Corruption Sensitivity Framework to help efforts to have corruption

recognised as a mainstream risk to achieving Universal Health Coverage. Advancing the evidence base on benefits to greater transparency in the pharmaceutical industry.

In Defence and Security the Government Defence Integrity Index (GDI) will be launched. Advocating for key anti-corruption mechanisms at major international and regional forums. Progressing work on corruption and conflict, US research and policy, leveraging work on corruption in military operations and security sector reform processes.

Engaging with the 7th Conference of States Parties (CSP7) on the Arms Trade Treaty.

In Global Standards to secure anti-corruption strategies, victim and witness protection and asset recovery laws together with chapters we have supported. Leveraging learning into the UK's G7 Presidency and US Summit for Democracy.

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 consider that those who benefit from the activities of TI-UK include:

- those at risk of harm caused directly or indirectly by corruption in the UK and overseas
- all those in societies who 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.

TI-UK 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 preventing corruption in the defence and health sectors
- ensuring the UK effectively enforces international anti-corruption conventions
- helping companies and NGOs to raise their anti-corruption standards; and
- Increasing public awareness of corruption issues.

The Board monitor the activities of TI-UK to ensure they continue to meet the public benefit (as defined by the Charity Commission).

Risk Management

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

<p>Board of Trustees</p>	<ul style="list-style-type: none"> • Responsible for management & control of the Charity • Sets overall risk management and appetite • Approves risk register annually with bi-annual update
<p>Finance, Risk and Audit Committee/All Committees</p>	<ul style="list-style-type: none"> • Advises on financial control & risk management • Reviews and monitors risk register including deep dives into risk areas • Committees maintain risk registers ensuring issues that could have organisational impact are highlighted.

Senior Leadership Team	<ul style="list-style-type: none"> • Monitor & maintain internal control environment ensuring day-to-day operations have adequate systems and procedures in place. • Review & 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.
Risk Registers	<ul style="list-style-type: none"> • Organisational Risk Register • Individual Programme/Committee Registers

How we are managing our principal risks

Key Organisational Risks

How we are mitigating the risk

Strategic

Strategic: as we embark on a new strategic plan there is a risk that we fail to deliver on the ambition outlined in the new strategic goals.

- TI-UK and global programmes strategies aligned to the TI Movement strategy
- Annual Plan & Budget aligned to new strategy with board cycle to review strategic opportunities and challenges across all programme areas
- Organisational structure aligned to assist delivery with SLT position focused on new partnerships and incubation of ideas
- Focus on measuring outcomes and impact

People

High levels of **employee turnover**. 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. The impact of the pandemic on wellbeing and adjusting to new ways of working could impact performance if not managed well.

- Engagement on implementation of the new Strategic Plan with personal objectives reflecting priorities, values and matrix working across TI
- Engagement forums including 'One Team' meetings, learning sessions & policy group
- Regular feedback via Listen into Action surveys and promotion of effective internal communication
- Developing a shared understanding of flexible career paths and ensuring our recruitment and retention brand remains comparable with the sector

Safeguarding: 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.

- Safeguarding & Whistleblowing Policies & Codes of Conduct
- Mandatory training
- Partner guidance/ toolkits
- Annual Safeguarding Report
- Participation in sector Speaking Up initiative to reduce the barriers for reporting concerns

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 including COVID-19 specific risks
- Safety and Security Focal Points in each team
- 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

Key Organisational Risks

How we are mitigating the risk

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
- Developing marketing strategy including messaging and products

Increased economic uncertainty arising from the pandemic and gaps in the **institutional funding** places short term pressure on maintaining strategic priorities.

- On-going dialogue with existing donors to ensure strategic alignment between TI-UK and their funding priorities
- Investment in institutional fundraising capacity
- Engagement with TI-Secretariat and national chapters to overcome barriers to funding channels and ensure co-funding opportunities are pursued
- Diversifying funding opportunities across programmes with variation of renewal lengths and dates

Legal

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 with training to all colleagues working on research and communications
- 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

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.

- Investment in Evidence and Impact capacity
- New Impact and Evaluation framework for all programmes that feeds into proposal design, log frame developments and organisational strategy

Governance

The Charity is a company limited by guarantee and was set up by a Memorandum of Association on 1 March 1994 (last amended 12 January 2006). It was registered as a charity on 27 January 2006. The Articles of Association were last amended on 8 December 2016.

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 2021 was 111 (2020: 111).

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 with evidence for the current round submitted in January 2021 and re-accreditation granted in June 2021.

Whilst operating as integral parts of the structure of the host chapter, Global Thematic Network Initiatives (GTNIs) are globally focused programmes shaped by their innovative approaches and ambition to deliver global impact in their defined thematic areas. TI-UK is accredited to operate two GTNIs on behalf of the movement in Defence & Security and Global Health.

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. Board committees meet depending on needs but generally three or four times a year.

The Board commenced a process of reviewing the committee structure to ensure that governance is arranged to best support the delivery of the new strategy. This review also reflected on the changes to the Charity Governance Code (December 2020) as they could apply to TI-UK. A revised Governance Framework was approved at the June 2021 Board meeting and will be implemented in the year ahead.

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 Leadership Team contribute their feedback. The Chair has annual objectives agreed with the Board and these are evaluated by them with the opportunity for the SLT to contribute. The following Trustees held office:

Trustee	Date of Appointment/ Resignation	Committees	Board Attendance 2020/2021
Shalni Arora	22 November 2012 – 24 November 2020	GH (Chair), N	4 of 5
Graham Baxter	29 January 2014 -	D, P (Chair), R	7 of 7
Michael Bowes QC	16 May 2015 -	D, N	5 of 7
Sarah-Jayne Clifton	14 May 2019 -	A, F	6 of 7
Steve Cockburn	26 February 2019 -	D, GH	7 of 7
Sam Eastwood	22 November 2012 -	A, GH	7 of 7
Prof Paul Heywood	12 October 2015 -	A (Chair), D	7 of 7
Natasha Houseman	16 May 2015 -	A, F (Chair), R	6 of 7
Dominic Martin	26 February 2019 -	A, F, P	7 of 7
Eddie Rich	14 May 2019 -	GH (Chair), P	7 of 7
Fiona Thompson (Chair)	16 May 2015 -	F, N, R	7 of 7

A: Advocacy & Research D: Defence and Security GH: Global Health P: Private Sector
 F: Finance & Audit R: Remuneration N: Nominations & Governance

Two Trustees retired during the year; Tamara Davies, who after six years as a Board member has decided not to return following her maternity leave and Shalni Arora who after eight years and taking up the role of Chair at another organisation decided not to stand for re-election for a one year period. The Board recognised both for their considerable contribution to TI-UK, and in particular Shalni who was instrumental in the founding and development of the Global Health programme.

Following an open recruitment process, two Independent Members (non-trustees) Maryam Hussain and Kwaku Osafo were appointed by the Board to strengthen the expertise on the Finance, Risk and Audit Committee. 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'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 website. Every meeting notes any potential conflicts of interest. Professional Indemnity, Trustees Indemnity and Employment Practices insurance cover are in place.

Diversity & Inclusion

In July 2020 TI-UK became a member of the Business in the Community Race at Work Charter. An action plan was developed in conjunction with a newly formed anti-racism forum open for all employees to participate in. The plan aims to help ensure that that we play our part in tackling barriers that ethnic minority people face in recruitment and progression and that TI-UK, including the senior leadership and Board, is representative of British society today.

Safeguarding

TI-UK publishes annually (latest February 2021) its Safeguarding Report. This report provides transparency on the safeguarding framework in place, summarises matters that were reported and investigated and details how evolving sector best practice is being considered. Future plans identified include continuing engagement with colleagues to ensure our culture of integrity and trust is promoted and understood. This will include:

- Listen into Action survey results and refresher training on safeguarding.
- Rolling out of our Race at Work action plan to include a zero-tolerance of bullying and harassment in relation to race or ethnicity.
- Developing programme approaches to ensure that we are not gender blind and to undertake this across the different programme areas through our internal policy group.
- Continued engagement with the sector on developments including BOND and the Charity Speak Up Network.

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, together with trusts and foundations (UK and USA based). 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. The majority of unrestricted funding is generated by the Business Integrity Programme.

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 colleagues 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 order to support the fundraising strategy, we have increased the commitment to investing in raising funds from institutions, trusts and foundations and individual 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 have created a new senior leadership role that also focuses on partnerships which deliver wider strategic objectives as well as financial commitments.

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 auditors 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

30 July 2021

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 2021 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 2021 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.

Conclusions relating to going concern

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

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

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

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 includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 strategic report and 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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 39, 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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified

that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as income tax, payroll tax and sales tax.

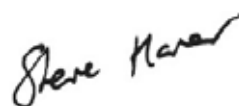
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in the accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of 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

10 Queen Street Place
London
EC4R 1AG

Date: 12 August 2021

Transparency International UK

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account) for the year ended 31 March 2021

	Notes	Restricted Funds 2020/21 £000	Unrestricted Funds 2020/21 £000	Total Funds 2020/21 £000	Restricted Funds 2019/20 £000	Unrestricted Funds 2019/20 £000	Total Funds 2019/20 £000
Income from:							
Donations	2	-	62	62	-	85	85
Charitable activities	3	2,631	628	3,259	6,479	549	7,028
Total income		2,631	690	3,321	6,479	634	7,113
Expenditure on:							
Raising funds		-	44	44	-	94	94
Charitable activities							
Programmes:							
UK		971	154	1,125	1,225	361	1,586
International:							
Defence & Security		1,939	33	1,972	2,667	36	2,703
Global Health		801	14	815	1,085	12	1,097
Other activities:							
Communication		-	59	59	-	67	67
Total charitable activities	6	3,711	260	3,971	4,977	476	5,453
Total Expenditure		3,711	304	4,015	4,977	570	5,547
Net Income / (Expenditure)		(1,080)	386	(694)	1,502	64	1,566
Net movement in funds		(1,080)	386	(694)	1,502	64	1,566
Reconciliation of funds							
Funds brought forward 1 April		1,911	443	2,354	409	379	788
Funds carried forward 31 March	15	831	829	1,660	1,911	443	2,354

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

The notes on pages 46 to 55 form part of these financial statements.

Transparency International UK

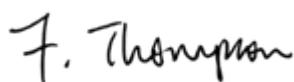
BALANCE SHEET

as at 31 March 2021

Company Registration 02903386

	Note	2020/21		2019/20	
		£000	£000	£000	£000
Fixed Assets					
Tangible fixed assets	11		7		17
Current Assets					
Debtors	12	512		1,290	
Cash at bank		1,505		1,470	
			2,017		2,760
Creditors: amounts falling due within one year	13		(364)		(423)
Net Current Assets			1,653		2,337
Net Assets	15		1,660		2,354
The Funds of the charity					
Restricted income funds	15		831		1,911
Unrestricted funds	14		829		443
Total charity Funds			1,660		2,354

The financial statements were approved and authorised for issue by the Board of Trustees on 30 July 2021 and were signed below on its behalf by:



Fiona Thompson
Chair

The notes on pages 46 to 55 form part of the financial statements

Transparency International UK

CASHFLOW STATEMENT

for the year ended 31 March 2021

	2020/21	2019/20
	£000	£000
Cash flows from operating activities:		
Net cash provided by operating activities	37	780
Cash flows from investing activities Purchase of fixed assets	(2)	(-)
Change in cash and cash equivalent in the reporting period	35	780
Cash and cash equivalents at the beginning of the reporting period	1,470	690
Cash and cash equivalents at the end of the reporting period	1,505	1,470
All amounts relate to continuing activities.		
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds for the period (as per the Statement of Financial Activities)	(694)	1,566
Adjustments for:-		
Depreciation charges	12	12
Decrease/ (increase) in debtors	778	(722)
Decrease in creditors	(59)	(76)
Net cash provided by operating activities	37	780
Analysis of cash and cash equivalents		
Cash in bank & at hand	1,505	1,470
Total cash and cash equivalents	1,505	1,470

A net debt reconciliation note has not been presented as the charity has no debt.

The notes on pages 46 to 55 form part of these financial statements.

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 for the most part 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 where possible use of the Coronavirus Job Retention Scheme due to business interruption to furlough one employee. Revenue budgets and cash flow forecasts have been stress tested given the uncertainty as to the disruption that the pandemic continues to have.

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 2022 and consider that the charity is in a position to meet its financial obligations as they fall due. The level of unrestricted free reserves of £820,000 meets the targeted range of £800-£850,000 going into the next financial year. The key risk that could arise in the year ahead relates to a need to maintain programme delivery (principally for international 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 1AG. 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 with 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 2020/21	Unrestricted Funds 2020/21	Total Funds 2020/21	Restricted Funds 2019/20	Unrestricted Funds 2019/20	Total Funds 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	-	13	13	-	48	48
Donations	-	49	49	-	32	32
Gifts in kind	-	-	-	-	5	5
Total	-	62	62	-	85	85

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

Tinsley Charitable Trust	£ 1,000
Ajahma Trust	£ 9,600
PF Charitable Trust	£ 2,500

3. Income from Charitable Activities

	Restricted Funds 2020/21	Unrestricted Funds 2020/21	Total Funds 2020/21	Restricted Funds 2019/20	Unrestricted Funds 2019/20	Total Funds 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Grants receivable (Note 4)	2,631	-	2,631	6,479	-	6,479
Business Integrity:						
- Bronze Membership	-	144	144	-	129	129
- Gold Membership	-	260	260	-	238	238
- Standalone Benchmark	-	13	13	-	50	50
- Thought Leadership & other income	-	211	211	-	132	132
Total	2,631	628	3,259	6,479	549	7,028

A list of Business Integrity Forum members is found on page 56.

The unrestricted Thought Leadership income includes donations from GlaxoSmithKline £40,000, Lexis Nexis £80,000, Norges Bank £40,000 & Ropes & Gray £40,000

4. Grants Receivable

	Notes	Total Funds 2020/21 £'000	Total Funds 2019/20 £'000
UK			
Ajahma Charitable Trust		-	230
Foreign, Commonwealth & Development Office (formerly DFID) – I-ACT tracking Summit Commitments		208	480
Foundation Open Society Institute		-	100
Julia & Hans Rausing Trust		243	496
Joffe Charitable Trust		30	30
Joseph Rowntree Charitable Trust		50	23

		Total Funds 2020/21	Total Funds 2019/20
	Notes	£'000	£'000
Luminate : The Omidyar Group		280	324
Network for Social Change		-	21
Open Society Policy Centre		-	85
TI Secretariat (International Anti-Corruption Conference Commitments)		5	-
Trust for London		12	23
	14	828	1,812
International: Defence & Security			
Carnegie Foundation		115	153
Foreign, Commonwealth & Development Office Department (formerly DFID) – I-ACT		813	1,127
Netherlands Ministry of Foreign Affairs		67	2,298
Open Society Foundation		-	31
United Nations Democracy Fund (UNDEF)		-	25
	14	995	3,634
International: Global Health			
Foreign, Commonwealth & Development Office (formerly DFID) FAST – Open Contracting for Health		652	926
GlaxoSmithKline		90	90
European Union - Action Grant		-	17
Open Society Foundation COVID-19 procurement		66	-
	14	808	1,033
Total	14	2,631	6,479

5. Charitable Expenditure: Grants Payable

	Total Grants 2020/21	Total Grants 2019/20
	£000	£000
AKKI Athlathato Kormanyzas Kutatoitezet	-	42
Association CRI 2002 Mali (TI Chapter)	17	21
CISLAC Nigeria (TI Chapter)	29	63
Corruption Watch UK	-	11
Corruption Watch South Africa (TI Chapter)	64	98
Development Gateway	-	10
Ghana Integrity Initiative (TI Chapter)	10	44
GTI for Public Good	-	40
Institute for Democracy and Mediation	6	9
I-Watch Tunisia (TI Chapter)	26	37

	Total Grants 2020/21	Total Grants 2019/20
	£000	£000
Integrity Watch Afghanistan	-	46
Lebanese Transparency Association (TI Chapter)	37	42
NAKO Ukraine	53	-
Open Contracting Partnership	5	93
Publish What You Pay	6	-
RISE Moldova	5	-
Social Justice	-	4
Spotlight on Corruption	-	60
The Fund for Constitutional Government	-	98
Transparency International Armenia	-	19
Transparency International Chile	34	37
Transparency International Czech Republic	-	32
Transparency International Jordan	11	41
Transparency International Kenya	35	55
Transparency International Nepal	24	45
Transparency International Niger	-	6
Transparency International Sri Lanka	2	49
Transparency International Uganda	63	66
Transparency International Ukraine	15	82
Transparency International Zambia	59	76
Transparency Secretariat Berlin	-	34
Total	501	1,260

6. Charitable Activities Expenditure

	Total Funds 2020/21	Total Funds 2019/20
	£000	£000
Direct charitable costs	904	1,769
Employee costs (see note 10)	2,484	2,349
Grants payable (see note 5)	501	1,260
Support costs (see note 7)	82	75
Total	3,971	5,453

7. Charitable Activities Expenditure: Support Costs

	Charitable Activities 2020/21	Fundraising 2020/21	Total 2020/21	Charitable Activities 2019/20	Fundraising 2019/20	Total 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Governance	7	-	7	9	-	9
Employee & consultancy	56	-	56	43	-	43
Other	19	-	19	23	-	23
Total	82	-	82	75	-	75

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:

	2020/21	2019/20
	£000	£000
Depreciation	12	12
Auditor's remuneration - audit services	9	10
Pension costs	90	76

9. Board of Trustee Remuneration, Expenses & Donations

No Trustees received remuneration or benefits in kind during 2020/2021 (2019/2020: £Nil). No travel or other expenses were paid/ reimbursed (2019/20 - three Trustees were reimbursed a total of £1,580).

The cost incurred by the charity for Trustee indemnity insurance was £2,177 (2019/20: £2,177).

During the year two Trustees (2019/20: five Trustees) donated, in aggregate, £1,370 (2019/20: £1,170) to the charity.

10. Employee Numbers and Emoluments

The average number of employees during the year was:

	2020/21	2019/20
	£000	£000
Charitable activities	37	38
Fundraising	3	2
Support	10	9
Total	50	49

Employee emoluments were as follows:

	2020/21	2019/20
	£000	£000
Wages and salaries	2,161	2,054
Social security costs	233	219
Pension costs	90	76
Total	2,484	2,349

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

	2020/21	2019/20
	£000	£000
+ Chief Executive	113	49
+ Chief Operating Officer	94	56
+ Director of Defence & Security	68	107
Director of Policy & Programmes	79	83
# Director – Health Initiative	93	74
Director of Strategic Partnerships	81	80
Director of Evidence & Engagement	70	62
Total including gross salaries, employer pension contributions	598	511
Total including gross salaries, employer pension contributions and employer National Insurance contributions.	667	572
# - post holder in position for part of year 2020/21		
+ - post holder in position for part of year 2019/20		
Number of employees who earned from:		
£60,001 – £70,000	2	-
£70,001 – £80,000	2	2
£80,001 – £90,000	2	-
£100,001 – £110,000	1	1
	7	3

The remuneration above includes gross salaries only. Total pension contributions in 2020/21 for these employees amounted to £25,307 (2019/20: £14,775).

A termination payment of £11,919 was paid to one employee during the year (2019/20: £13,334).

The lowest paid employee, with the exception of interns who are paid the London Living Wage, was paid an annual equivalent gross salary of £26,442 per annum (2019/20: £26,000 per annum). The highest paid employee received 4.14 times (2019/20: 4.04 times) the salary of the lowest paid employee.

11. Tangible Fixed Assets

	Equipment & Fitting £000
Cost	
At 1 April 2020	63
Additions	2
Disposals	(2)
At 31 March 2021	63
Depreciation	
At 1 April 2020	46
Charge for year	12
Depreciation on disposals	(2)
At 31 March 2021	56
Net book value	
At 31 March 2021	7
At 31 March 2020	17

12. Debtors Analysis

	2020/21 £000	2019/20 £000
Trade debtors	127	180
Prepayments	46	67
Accrued income	296	999
Rent deposit	43	43
Other debtors	-	1
Total	512	1,290

13. Creditors Analysis

	2020/21	2019/20
	£000	£000
Trade creditors	81	39
Accruals	156	256
Social security and other taxes	114	128
Other creditors	13	-
Total	364	423

14. Total Funds

2020/2021	Brought forward	Income	Expenditure	Carried forward
	£000	£000	£000	£000
Restricted income funds				
UK	836	828	(973)	691
International: Defence & Security	1,073	995	(1,939)	129
International: Global Health	2	808	(801)	9
	1,911	2,631	(3,713)	831
Unrestricted funds	443	690	(304)	829
Total funds	2,354	3,321	(4,017)	1,660

2019/2020	Brought forward	Income	Expenditure	Carried forward
	£000	£000	£000	£000
Restricted income funds				
UK	249	1,812	(1,225)	836
International: Defence & Security	105	3,634	(2,666)	1,073
International: Global Health	55	1,033	(1,086)	2
	409	6,479	(4,977)	1,911
Unrestricted funds	379	634	(570)	443
Total funds	788	7,113	(5,547)	2,354

Restricted funds are held for the following purposes:

The UK 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 programme, including integrity in the UK, open governance, corrupt capital and leveraging UK leadership

The Defence & Security International 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 the UK Foreign, Commonwealth and Development Office (formerly DFID) International Action against Corruption (IACT) programme and the Netherlands Ministry of Finance. The funding delivers 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 Global Health International Programme 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 the UK's Foreign, Commonwealth and Development Office (formerly DFID) Fiscal Accountability, Sustainability and Transparency (FAST) programme towards the Open Contracting for Health Project.

15. Analysis of Net Assets Between Funds

	Restricted Funds 2020/21	Unrestricted Funds 2020/21	Total Funds 2020/21	Restricted Funds 2019/20	Unrestricted Funds 2019/20	Total Funds 2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	-	7	7	-	17	17
Current assets	831	1,186	2,017	1,911	849	2,780
Creditors due within one year	-	(364)	(364)	-	(423)	(423)
Total	831	829	1,660	1,911	443	2,354

16. Related Party Transactions

In 2020/21 there were no related party transactions (2019/20: £1,000). The prior year figure included a donation from a related charity, Savannah Wisdom where Shalni Arora was also a Trustee.

There was no debtor balance at the year-end (2019/20: £Nil).

We would like to thank:

Our **donors and funders** including: the UK Foreign, Commonwealth and Development Office (formerly DFID), the Netherlands Ministry of Foreign Affairs, Carnegie Foundation, GlaxoSmithKline, Ajahma Trust, Julia and Hans Rausing Trust, Joffe Charitable Trust, Joseph Rowntree Charitable Trust, Luminare, Open Society Foundation, PF Charitable Trust, David and Elaine Potter Foundation, Tinsley Charitable Trust, Trust for London, Jane Thurnell-Read, and individual supporters and those who request anonymity.

Our **Business Integrity Forum members** at 31 March 2021: Anglo American, Barclays, BHP Billiton, Brunel, CDC, Clifford Chance, Control Risk Group, Crown Agents, DLA Piper, FTI Consulting, General Energy, GlaxoSmithKline, Grant Thornton UK, HSBC, IHG, Lloyds, Meggitt, National Grid, Natwest, New Age (African Global Energy), Norton Rose Fulbright, Orange UK, Oxford University Press, PwC, QA Ltd, RB Group, RBS, RPC, Shell International, Siemens, Subsea 7, The Weir Group, Tullow Oil, Unilever and Vodafone Group.

We thank GlaxoSmithKline, Lexis Nexis, Norges Bank & 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 **Advisory Council members**: Peter Berry CMG, President, Edward Bickham, Lord Chidgey, Laurence Cockcroft, Jane Ellison, Karina Litvack, Phil Mason, and Lord Wills. Baroness Finn stepped down during the year and we express our appreciation for her contribution to TI-UK.

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:

10 Queen Street Place, London EC4R 1AG

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:

Bates Wells

10 Queen Street, London, EC4R 1BE

Clifford Chance

10 Upper Bank Street, London, E14 5JJ

Senior Leadership Team at 31 March 2021

Daniel Bruce: Chief Executive

Colin Munro: Chief Operating Officer / Company Secretary

Duncan Hames: Director of Policy & Programmes

Natalie Hogg: Director of Defence and Security

Naomi Neiland: Director of Evidence & Engagement

Sophie Ogilvy: Director of Strategic Partnerships

Vacant - Director of International Programmes



Transparency International UK

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London,
EC4R 1AG

transparency.org.uk
[twitter.com/@TransparencyUK](https://twitter.com/TransparencyUK)

Transparency International UK

Registered charity number 1112842

Company number 2903386