

SPOTLIGHT ON CORRUPTION LTD

England & Wales · Charity number 1185872

Details

Other names SPOTLIGHT ON CORRUPTION

Status Registered

Legal form Charitable company

Company number [12123483](#)

Registered 2019-10-18

Register [View on the Charity Commission register](#)

Contact

Address Spotlight on Corruption
82 Tanner Street
London
SE1 3GN

Phone 0203 096 7722

Email info@spotlightcorruption.org

Website www.spotlightcorruption.org

Activities

Objects: FOR THE PUBLIC BENEFIT: TO PREVENT AND RELIEVE POVERTY IN ANY PART OF THE WORLD CAUSED DIRECTLY OR INDIRECTLY BY CORRUPTION; TO FOSTER COMPLIANCE WITH THE LAW AND PROMOTION OF ETHICAL STANDARDS OF CONDUCT BY GOVERNMENTAL, INDUSTRIAL, COMMERCIAL, VOLUNTARY SECTOR AND PROFESSIONAL BODIES; AND TO PROMOTE THE SOUND ADMINISTRATION OF THE LAW IN THE FIELD OF ANTI-CORRUPTION; INCLUDING (WITHOUT LIMITATION) BY- THE PROMOTION AND UNDERTAKING OF MEASURES TO REDUCE AND ELIMINATE CORRUPTION;- THE GIVING TO LEGISLATIVE AND PUBLIC BODIES AND OTHERS, INFORMATION AND ADVICE AND ASSISTANCE IN RELATION TO THE REDUCTION AND ELIMINATION OF CORRUPTION AND EFFECTIVE MEANS TO ACHIEVE THIS; AND- THE PROMOTION, UNDERTAKING OR COMMISSIONING OF RESEARCH CONCERNING EFFECTIVE MEANS TO ENSURE COMPLIANCE WITH THE LAW AND PROMOTE ETHICAL STANDARDS OF CONDUCT BY GOVERNMENTAL, INDUSTRIAL, COMMERCIAL, VOLUNTARY SECTOR AND PROFESSIONAL BODIES.

Activities: Spotlight on Corruption undertakes monitoring of court cases involving anti-corruption laws; carries out and publishes research and analysis on enforcement of anti-corruption laws in the UK; in exceptional circumstances and as a last resort, pursues strategic litigation to ensure the sound administration

of the law; and collects and investigates evidence on grand corruption.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** The Prevention Or Relief Of Poverty, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£583,927	£489,851	£447,927	7
2023-09-30	£294,423	£381,382	-	-
2022-09-30	£637,061	£328,698	£440,810	4
2021-09-30	£252,948	£175,074	-	-
2020-09-30	£180,165	£125,592	-	-

Trustees

Name	Role	Appointed
Lloydette Bai-Marrow	Chair	2022-01-28
Angus Robert Brown		2022-01-28
Jonathan Brian Date		2022-01-28
Meinir Mai Davies		2024-03-07
SEYMOUR ARTHUR MILES EASTWOOD		2022-01-28
Stephen Peter Holland		2024-03-07

SPOTLIGHT ON CORRUPTION LTD

England & Wales - Charity number 1185872

Accounts

REGISTERED COMPANY NUMBER: 12123483 (England and Wales)
REGISTERED CHARITY NUMBER: 1185872

Spotlight on Corruption Ltd
Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2024

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

Contents of the Financial Statements for the year ended 30 September 2024

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Spotlight on Corruption Ltd
Chairman's Report
for the year ended 30 September 2024

Spotlight on Corruption Annual Report 2023/24

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2024.

Introduction by the Chair and Executive Director

Spotlight on Corruption provides a unique focus on how the UK enforces its anti-corruption laws. We work to ensure the laws in place are fit for purpose, that they are proactively enforced, and that they are complemented with robust administrative and regulatory systems across government.

Our Achievements

Spotlight's financial year started with two major pieces of legislation coming onto the statute books which contained provisions we had long advocated. The Economic Crime and Corporate Transparency Act 2023 fundamentally reshapes the UK's corporate liability laws while the Procurement Act 2023 introduces a new debarment regime to keep corrupt and fraudulent actors out of public procurement. We were delighted to see these new tools introduced into the UK to enhance enforcement against corruption and other economic crimes.

The highlights of our work over the course of the year include:

- making enforcement a key government priority

We researched and published a series of four reports on UK anti-corruption enforcement over the course of 2024, three of which were published in this financial year. These included a report on how the UK could improve the enforcement of its sanctions regime, a report on aid-funded law enforcement to tackle overseas corruption, a report on how to tackle the recruitment and retention crisis at the National Crime Agency which was covered on the front page of the Times, and a report on reinvesting more assets into law enforcement across the board. As the year came to an end, the government announced significant new funding for the UK's aid-funded enforcement unit, and has repeatedly stated that improving enforcement including for sanctions is a major priority.

- some significant successes in our legal work

Our intervention in a Court of Appeal case brought by the World Uyghur Congress (WUC) against the National Crime Agency for failing to investigate alleged proceeds of slave labour played a significant role in the success of the case. We intervened because of the implications of the case for the UK's money laundering regime and the Court's ruling has set some significant legal precedents for how professionals should handle proceeds of alleged crime, and for when law enforcement are empowered to open investigations.

Our pioneering work on open justice in the courts meanwhile, including on challenging anonymity orders granted to those connected to major corruption scandals, has also been particularly fruitful. We coordinated a successful challenge with media partners to lift anonymity of former suspects and implicated individuals in a major bribery case, setting a groundbreaking precedent. Just as the year came to an end we had a very significant open justice win when a court ruled that Spotlight can publish transcripts and evidence from another major foreign bribery court case. The case was significant because of allegations about government complicity in the bribery.

Media and governmental impact

Spotlight has continued to be a go-to commentator on corruption and enforcement issues in the UK. We were quoted or mentioned in over 200 media articles, and had three opinion pieces in national level newspapers over the year.

In parliament, our research was cited in 23 parliamentary debates and we submitted evidence to 8 different Select or Bill Committees, with this evidence cited in five committee reports, letters or debates.

Spotlight on Corruption Ltd

Chairman's Report for the year ended 30 September 2024

Our reports have been widely read by policy-makers in government, with the minister responsible for the NCA being briefed directly on our report on the agency's recruitment and retention crisis, and our Know Your Donor policy for political parties being particularly influential in light of potential electoral finance reform.

Looking forward

There are many opportunities in the coming year to make good progress on our goals. The Government's new Anti-Corruption Champion is leading the development of a new Anti-Corruption Strategy, due to be published in 2025. There is increased political will to tackle corruption, with the Foreign Secretary announcing that tackling dirty money is a personal campaign priority, and enhanced coordination between three different government departments.

This year will see a real focus on integrity in procurement, with the development of a new procurement strategy, the delayed implementation of the Procurement Act and the COVID-19 inquiry. These will all provide major opportunities to increase anti-corruption and integrity checks in UK procurement. They will also provide an opportunity to highlight the importance of tackling domestic corruption in the UK, and particularly the need for changes to the UK's current laws on corruption in public office.

Meanwhile, there is growing momentum for how the UK tackles professionals who wittingly or unwittingly help corrupt actors launder funds. With the government starting to prepare for a visit from the global anti-money laundering watchdog, FATF, in 2027, and a major intervention due on legal ethics in early 2025 from a legal ethics taskforce, there is real scope for a much more ambitious approach to the UK's regime for money laundering supervision. Driving forward greater ambition will be particularly crucial as the government prepares to announce reforms to the AML supervisory regime. There is also potential for more focus on how senior executives are held to account for money laundering and whether stronger rules and legislation is needed to stop professionals from handling kleptocratic assets.

In keeping with our strong collaborative ethos, we will continue to work in coordination with our civil society partners, and engage extensively with a wide range of stakeholders, to drive forward ambitious action to end the UK's role as a hub for dirty money and to ensure we get our own house in order.

Organisationally, we will need to continue our focus on expanding our funding base and ensuring sustainable growth. We will also continue to develop best practice with our policies, particularly in relation to diversity, equity and inclusion. Finally, it will be critical over the next year to ensure that our staff are able to manage what remains a very busy workload and to carry on feeling fully valued and rewarded.

Lloydette Bai-Marrow
Chair

Susan Hawley
Executive Director

Lloydette Bai-Marrow

Susan Hawley

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

VISION, MISSION, OBJECTIVES AND ACTIVITIES

Our vision

We want to see a society with strong, transparent and accountable institutions which ensure corruption is not tolerated and democracy flourishes both in the UK and globally.

To achieve this we highlight corruption and the harm it causes, and campaign to improve the UK's legal systems and enforcement of the law.

Our mission

Spotlight on Corruption shines a light on the UK's role in corruption at home and abroad.

Our Charitable objects

Spotlight on Corruption's objects for the public benefit are:

- To prevent and relieve poverty in any part of the world caused directly or indirectly by corruption;
- To foster compliance with the law and the production of ethical codes of conduct by governmental, industrial, commercial, voluntary sector and commercial bodies;
- To promote the sound administration of the law in the field of anti-corruption.

Including (without limitation) by:

- The promotion and understanding of measures to reduce and eliminate corruption;
- The giving to legislative and public bodies and others, information and advice and assistance in relation to the reduction and elimination of corruption and effective means to achieve this;
- The promotion, undertaking or commissioning of research concerning effective means to achieve compliance with the law to promote ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies.

Our work

Our work seeks to address the role corruption plays as a root cause in driving global poverty, impeding development, and undermining democracy, institutions and good governance.

Our work involves:

- Tracking the implementation and enforcement of the UK's anti-corruption laws to ensure that they are deterring and preventing corruption;
- Undertaking detailed, evidence-based and impactful research on the implementation and enforcement of the UK's anti-corruption laws and policy, looking for ways in which they can be improved;
- Exploring the role that strategic litigation can play in improving anti-corruption enforcement outcomes.

Over the past year, Spotlight on Corruption has undertaken the following activities towards our long-term goals.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2024

Long-term goal #1: The UK has a robust legislative and regulatory framework for prosecuting and sanctioning corruption and financial crime

Senior executive accountability

In January 2024, we published an in-depth report on senior executive accountability for economic crime in the UK, which was launched at a well attended event in Parliament with the Institute of Directors and Lord Tyrie. The report was covered by City AM and a wide range of legal commentators, and we also had a comment piece in the FT about our findings.

Professional enablers

The role of professional enablers of economic crime and kleptocracy has become a particular policy focus over the past year.

We fed into the government's new cross-system professional enablers strategy, launched in early 2024, and engaged with the Legal Services Board consultation on the new statutory objective for legal sector regulators to prevent economic crime. Having referred several dossiers on lawyers and law firms to legal sector regulators, we also closely monitored enforcement by legal sector regulators, and published detailed analysis on these cases.

Working closely with civil society colleagues, we developed a coordinated approach to seek ambitious reform to the UK's Anti-Money Laundering regime.

We also worked with investigative journalists from Al Jazeera looking at the professional enablers involved in handling suspicious funds from Bangladesh, and coordinated work to encourage the UK government to act swiftly to identify, seize and return assets stolen from the people of Bangladesh, and urge UK regulators to investigate those engaged in facilitating suspect funds arriving in the UK.

This year our Executive Director was a member of a high-profile taskforce considering the ethics of UK firms providing civil legal services to kleptocrats and oligarchs.

We also encouraged political parties to adopt ambitious proposals on tackling dirty money and money laundering in light of the general election, producing background briefings and policy input to shape their policies in this area.

Long-term goal #2: The UK has more proactive, properly resourced, transparent and effective enforcement of its anti-corruption laws

Enforcement

During 2024, we published a series of major reports on the state of enforcement, consolidating our strong reputation for specialist expertise in this area. These included reports with a focus on enforcement in relation to sanctions and international corruption, and detailed reports on issues impeding enforcement at the National Crime Agency, and making the case for more reinvestment of assets back into enforcement bodies.

Major cases that we have monitored and provided analysis of over the past year include a long-running bribery trial involving a UK-Saudi arms deal, the first-ever UK prosecution of a foreign politically exposed person for soliciting a bribe, the corruption trial relating to Mozambique's 'tuna bond' scandal, and the UK's first forfeiture of sanctioned Russian funds.

We also fed into major policy debates about how to improve enforcement outcomes, from the independent review of the disclosure regime to a consultation on cost protections for law enforcement.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2024

Open Justice

We have been an open justice pioneer through our court monitoring programme, setting up a calendar of court dates, challenging anonymity orders, and maintaining pressure for greater access to court information. This included a submission to a judicial consultation on public access to court documents and our coordination of a letter to the Lady Chief Justice raising concerns about the government's new open justice guidance, as well as our ongoing advocacy as a founding member of the Courts and Tribunals Observers Network. We have also highlighted the grave risks of corruption cases being withheld from public scrutiny through closed arbitration proceedings.

Victims of corruption

And we continued to highlight the need for victim compensation for communities and countries affected by corruption in a number of high-profile cases, collaborating with global South partners on joint advocacy and calling for reforms to ensure victims are properly compensated and assets are returned. This included working with Parliamentarians to highlight the need for reform in the context of the Victims Bill, and an op-ed in CityAM coinciding with Global Anti-Corruption Day.

Long-term goal #3: The UK governments puts in place stronger anti-corruption systems to tackle corruption at home and abroad

Political integrity

We encouraged political parties to adopt ambitious proposals to strengthen political integrity over the year, particularly in light of the general election.

This included encouraging proactive use of the new debarment regime to protect public spending, and commitments to significantly upgrade how standards in public life are regulated.

We published a series of papers about the need to improve regulation of public standards in the UK to inform public and political debate. This included joint briefings with civil society partners, as well as Spotlight papers and commentary on progress made on reforms recommended by independent bodies, and how to improve regulation in this area. We also started a major new body of work around lobbying, policy capture and unequal access to economic decision-makers.

Spotlight and a coalition of other experts were accepted as a Core Participant for the procurement module of the Covid-19 Inquiry, where we are raising key weaknesses in the UK's regime for tackling conflicts of interest, and in domestic legislative provisions for tackling corruption.

And we undertook extensive work on the need for political finance reform, including producing and coordinating briefings (written and through a roundtable) for policy makers and the public on the need for major reforms and the risks of dirty money in political finance. We also submitted evidence to inquiries, and engaged in correspondence with the National Crime Agency about enforcement gaps. Our work on risks of dirty money in political finance helped to secure two 'motions of regret' in the House of Lords - relating to the independence of the Electoral Commission and increased dirty money risks.

Sanctions

We closely monitored key sanctions-related cases in the courts, including sanctions evasion cases, and the first legal challenges to sanctions imposed after Russia's invasion of Ukraine.

We submitted evidence to several parliamentary inquiries, where our analysis was cited, and co-hosted a roundtable discussion with the APPG on Anti-Corruption and Responsible Tax on sanctions enforcement with key government officials, parliamentarians, private sector figures and civil society.

Our advocacy during this time to impose a duty on sanctioned individuals to disclose their UK-based assets led to a change in legislation to this effect.

We also provided policy briefings for parliamentarians, and policy makers about how to improve enforcement for sanctions alongside a detailed report that we produced during the year outlining the UK's record on sanctions enforcement.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2024

PUBLIC BENEFIT

The beneficiaries of our work are the victims of corruption in the UK and overseas and all those who will benefit from higher ethical standards of conduct in government and compliance with the law by the private sector. It includes ordinary citizens and voters, who are disadvantaged by governments misallocating public money as a result of corruption and who will benefit from the improved functioning of democracy that results from strong anti-corruption systems and robust institutions. It also includes businesses who are denied a level playing field by unfair practices that result from corruption.

Stronger enforcement of UK anti-corruption laws and higher anti-corruption standards in UK foreign policy and export support benefits victims of corruption and the public of countries affected by corruption by leading to:

- greater transparency about the identity of corrupt actors and the nature of their corruption to enable greater accountability;
- increased confiscation of corrupt assets which can be returned to affected countries through development projects;
- potential compensation through the courts in the event of conviction which can likewise be returned to affected countries; and
- strong social condemnation of and stronger procedures to prevent bribery and corruption.

Our work benefits the wider public in the UK by providing expert and insightful analysis about how anti-corruption laws are being enforced and anti-corruption standards maintained, including through our website, Twitter account and media engagement. Our work on improving integrity and anti-corruption measures in procurement benefits the public in the UK through providing solutions for how to improve public trust in government and in public contracting and ensure greater value for money in government spending.

Our board has taken into account the Commission's guidance on public benefit guidance when making relevant decisions.

MONITORING AND EVALUATION

During this year, Spotlight continued to utilise our internal monitoring tool to assess our impact. We log on a weekly basis our achievements and significant outputs, and are beginning to conduct more regular deep-dive reviews evaluating which sorts of interventions have the most impact, and why. In particular we have started to track more closely how we keep on track with our commitments under the Annual Plan and other grant commitments.

During 2023-24, we did change some of the action points we had envisaged in our Annual Plan, as the external context changed, or as new evidence emerged which led us to reassess what would be the most valuable avenue for research and impact. For instance, rather than doing a report providing a 'two years on' overview of enforcement funding gaps we decided to focus on the NCA as a key agency for delivering anti-corruption and illicit finance enforcement, as well as on aid funded enforcement. Similarly, instead of doing a report on the licencing regime in relation to sanctions, we did a report on sanctions enforcement instead.

Some action points we were not able to deliver due to capacity constraints, largely arising from the shifting context brought about by an election year. In other areas we made significant progress on winning the argument with a large range of stakeholders on board for a particular reform, but no formal government decision was taken due to policy upheaval in an election year.

We are committed to being a learning organisation, and looking at new ways to ensure we have a continuous process of evaluation as part of how we develop strategy and deliver our work plans. With a new finance and operations manager on board we have been able to vastly improve our organisational systems to help us keep track of commitments, evaluate our work, and overall be more efficient and productive.

During the delivery of our Annual Plan we have learned that well-evidenced research produced at the right time, and maximising political opportunities for reform are crucial to enhancing impact.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2024

FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

As a small team with growing external demands on our time, managing urgent response to events and media driven opportunities alongside delivering long-term priorities is always a challenge. An uncertain funding environment has also meant considerable time investment by staff to fundraising, given Spotlight's lack of dedicated fundraising capacity, and also to delivering on short-term grant commitments.

Political will is a critical factor in achieving our objectives. While there has been exceptionally strong political will in certain areas (particularly tackling dirty money as it relates to Russia and hostile states), in other areas, such as integrity in public life it has been much more difficult to make progress.

FUTURE PLANS - THE YEAR FROM OCTOBER 2024

As we deliver our Annual Plan for 24/25, we are seeking to streamline our work into three campaign areas to give greater clarity about our work, and help to prioritise our workload. Our overall goals remain the same as they reflect our three year strategy. Over the course of the year we will be developing a new 3-5 year strategy, and conducting external stakeholder and internal strategic processes to have this in place for the next financial year.

At an organisational level, we will build on improvements made this year to systems and processes, and further develop how we can work most efficiently and productively as a team. We will continue to actively promote and encourage professional development and training. We will embed our diversity, equity and inclusion policy across all our work, and we will continue work on enhancing Spotlight's financial sustainability, seeking out new opportunities for grants and donations.

FINANCIAL REVIEW

This has been a year of financial stability and sustainable growth at Spotlight. Overall income this year totalled £583,927 and we brought forward £353,851 from grants awarded in previous years. Sums brought forward included £252,129 from a three-year grant awarded by Open Society Foundations (OSF) in FY 2021-22 and generously provided in full at the outset of the grant period. The majority of our income this year came in the form of grant funding, and we also received £10,988 in donations from individuals.

As in previous years, in FY 2023-24 Spotlight had good cash flow and financial security, with growth in expenditure of 28% to £489,851. This reflected the addition to the team of a new Senior Grants and Operations Manager, and a new Legal Researcher who joined on a one year contract. We also continued our use of consultants contributing to research and business support and increased our expenditure on communications, advocacy and fundraising.

Overall, the Charity ended the year with funds of £447,927, of which £99,308 represents the balance of the OSF funding which covered three years. A further £163,186 represents two new OSF grants awarded during this year and generously provided in full at the outset, of which £62,344 will be sub-granted to the International Lawyer's Project for work on sanctions that we are conducting in partnership with them. We continue to be mindful that in order to sustain the achievements of this year, we shall need to continue to secure substantial new funding in future years.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2024

We are extremely grateful to our funders during this period:

The David and Elaine Potter Foundation

The Joffe Charitable Trust

John Ellerman Foundation

The Foreign Policy Centre (sub-grant on behalf of the Joffe Charitable Trust)

The Friends Provident Charitable Foundation

The Joseph Rowntree Charitable Trust (JRCT)

JRSST Charitable Trust (JRSST-CT)

Luminate Foundation

Open Society Foundations (OSF)

REDRESS (sub-grant on behalf of Open Society Foundations)

Transparency International Secretariat (sub-grant on behalf of the Global Anti-Corruption Consortium)

Further details of the grants are provided in Note 12.

RESERVES POLICY

The Charity has reviewed its requirements for reserves from unrestricted income to be primarily for the following reasons: delays in funding or unforeseen terminations; cash flow variations. As a result of the review, Spotlight's policy is to hold reserves equating to at least three months of operating costs. With unrestricted funds of £262,266 carried forward, this requirement was met.

RISK MANAGEMENT

The Trustees have conducted a review of the major risks to which the charity is exposed and has a regularly updated risk register. The risk register is reviewed at each Board meeting. Where appropriate, systems or procedures have been identified to mitigate the risks that the charity faces.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

STRUCTURE, GOVERNANCE AND MANAGEMENT

In early 2024, after advertising the roles and conducting an interview process, Spotlight was delighted to recruit two new Trustees. Spotlight is now governed by seven Trustees, with Lloydette Mai-Barrow as Chair and Angus Brown as Treasurer. The Board is supported by a Finance and Operations Committee which oversees the finances of the organisation, drawing upon trustees with very significant expertise and experience in financial management and governance.

Board meetings take place three times a year, with Finance and Operations Committee meetings taking place ahead of the Board meetings. The Board approves Spotlight's Annual Plan in September ahead of each year, monitors its implementation in February, and receives a final report on activities and progress on objectives in the summer. In 2024, as part of an ongoing commitment to strong governance, the Board approved a number of new policies including Social Media, Cyber Security, Donations Due Diligence, Carer's Leave and Dependants Leave, as well as continuing to review existing policies.

The Executive Director is supported by a Senior Management Team, and an Advisory Board of widely respected professionals from the sector. In the previous financial year, we undertook a recruitment for a new Senior Grants and Operations Manager, who started work in October 2023 and has enabled us to ramp up our finance and operations work, bringing greater efficiency and sustainability to the organisation.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
12123483 (England and Wales)

Registered Charity number
1185872

Registered office
82 Tanner Street
London
SE1 3GN

Trustees

Ms L Bai-Marrow (Chair)
Mr A Brown (Treasurer)
Mr J Date
Mr S Eastwood
Ms C Stewart
Ms M M Davies (appointed 7/3/2024)
Mr S P Holland (appointed 7/3/2024)

Independent Examiner

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Banks

Triodos Bank	CCLA Investment Management
Deanery Road	1 Angel Lane
Bristol	London
BS1 5AS	EC4R 3AB

Senior Management Team

Dr Susan Hawley	(Executive Director)
Mr George Havenhand	(Senior Legal Researcher)
Dr Helen Taylor	(Senior Legal Researcher)
Ms Kathryn Busby	(Senior Finance and Operations Manager)

Approved by order of the board of trustees on 5 February 2025 and signed on its behalf by:

Loydette Bai-Marrow

Ms L Bai-Marrow - Trustee

**Independent Examiner's Report to the Trustees of
Spotlight on Corruption Ltd**

Independent examiner's report to the trustees of Spotlight on Corruption Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Barry Davidson

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Date: 14 April 2025

Spotlight on Corruption Ltd

**Statement of Financial Activities
for the year ended 30 September 2024**

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Grant income	2	266,814	303,847	570,661	288,794
Investment income	3	12,787	-	12,787	5,294
Other income		479	-	479	335
Total		<u>280,080</u>	<u>303,847</u>	<u>583,927</u>	<u>294,423</u>
EXPENDITURE ON					
Charitable activities	4				
Direct charitable activities and support costs		252,751	237,100	489,851	381,382
NET INCOME/(EXPENDITURE)		27,329	66,747	94,076	(86,959)
RECONCILIATION OF FUNDS					
Total funds brought forward		234,937	118,914	353,851	440,810
TOTAL FUNDS CARRIED FORWARD		<u>262,266</u>	<u>185,661</u>	<u>447,927</u>	<u>353,851</u>

The notes form part of these financial statements

Spotlight on Corruption Ltd

Balance Sheet 30 September 2024

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
CURRENT ASSETS					
Debtors	8	1,346	-	1,346	1,488
Cash at bank		271,324	185,661	456,985	363,522
		<u>272,670</u>	<u>185,661</u>	<u>458,331</u>	<u>365,010</u>
CREDITORS					
Amounts falling due within one year	9	(10,404)	-	(10,404)	(11,159)
		<u>262,266</u>	<u>185,661</u>	<u>447,927</u>	<u>353,851</u>
NET CURRENT ASSETS					
		<u>262,266</u>	<u>185,661</u>	<u>447,927</u>	<u>353,851</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>262,266</u>	<u>185,661</u>	<u>447,927</u>	<u>353,851</u>
NET ASSETS					
		<u><u>262,266</u></u>	<u><u>185,661</u></u>	<u><u>447,927</u></u>	<u><u>353,851</u></u>
FUNDS					
	10			262,266	234,937
Unrestricted funds				185,661	118,914
Restricted funds				<u>447,927</u>	<u>353,851</u>
TOTAL FUNDS					
				<u><u>447,927</u></u>	<u><u>353,851</u></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Spotlight on Corruption Ltd

**Balance Sheet - continued
30 September 2024**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 5 February 2025 and were signed on its behalf by:



Mr A Brown - Trustee

Loydette Bai-Marrow

Ms L Bai-Marrow - Trustee

Spotlight on Corruption Ltd

Notes to the Financial Statements for the year ended 30 September 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Spotlight on Corruption Ltd

**Notes to the Financial Statements - continued
for the year ended 30 September 2024**

2. GRANT INCOME

	2024	2023
	£	£
Donations	10,988	-
Grants receivable	559,673	276,494
Fund for Policy Reform - Contract funding	-	8,400
OSI - Contract funding	-	3,900
	<u>570,661</u>	<u>288,794</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	12,787	5,294
	<u>12,787</u>	<u>5,294</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Direct charitable activities and support costs	487,563	2,288	489,851
	<u>487,563</u>	<u>2,288</u>	<u>489,851</u>

5. SUPPORT COSTS

Governance costs	2024	2023
	£	£
Independent examiners fees	2,450	1,973
Finance charges	10	9
	<u>2,460</u>	<u>1,982</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration/other benefits for the year ended 30 September 2024 nor for the year ended 30 September 2023.

Trustees' expenses

During the year ended 30 September 2024 a total of £129.20 was reimbursed to one trustee for travel costs.

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2024

7. STAFF COSTS

	2024 £	2023 £
Wages and salaries	319,589	222,402
Social security costs	30,340	19,372
Other pension costs	7,819	5,529
	<u>357,748</u>	<u>247,303</u>

The average monthly number of employees during the year was as follows:

	2024	2023
Staff	<u>7</u>	<u>5</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	<u>1</u>	<u>-</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Accrued income	<u>1,346</u>	<u>1,488</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Social security and other taxes	3,534	2,133
Accrued expenses	6,870	9,026
	<u>10,404</u>	<u>11,159</u>

10. MOVEMENT IN FUNDS

	At 1/10/23 £	Net movement in funds £	At 30/9/24 £
Unrestricted funds			
General fund	234,937	27,329	262,266
Restricted funds			
Restricted Fund	118,914	66,747	185,661
	<u>353,851</u>	<u>94,076</u>	<u>447,927</u>
TOTAL FUNDS			

Spotlight on Corruption Ltd

**Notes to the Financial Statements - continued
for the year ended 30 September 2024**

10. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	280,080	(252,751)	27,329
Restricted funds			
Restricted Fund	303,847	(237,100)	66,747
TOTAL FUNDS	<u>583,927</u>	<u>(489,851)</u>	<u>94,076</u>

Comparatives for movement in funds

	At 1/10/22 £	Net movement in funds £	At 30/9/23 £
Unrestricted funds			
General fund	175,505	59,432	234,937
Restricted funds			
Restricted Fund	265,305	(146,391)	118,914
TOTAL FUNDS	<u>440,810</u>	<u>(86,959)</u>	<u>353,851</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	242,465	(183,033)	59,432
Restricted funds			
Restricted Fund	51,958	(198,349)	(146,391)
TOTAL FUNDS	<u>294,423</u>	<u>(381,382)</u>	<u>(86,959)</u>

Spotlight on Corruption Ltd

**Notes to the Financial Statements - continued
for the year ended 30 September 2024**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2024.

12. ANALYSIS OF CHARITABLE FUNDS

	B/fwd £	Income £	Expenditure £	C/fwd £
Joseph Rowntree Charitable Trust	-	55,000	(55,000)	-
Joffe Charitable Trust	18,750	107,295	(45,000)	81,045
David and Elaine Potter Foundation	22,667	31,000	(26,667)	27,000
John Ellerman Foundation	20,000	-	(20,000)	-
OSF via REDRESS	319	38,886	(39,205)	-
JRSST Charitable Trust	1,417	17,500	(18,917)	-
OSF UK AML Campaign	252,129	-	(152,821)	99,308
Luminate Foundation	32,940	62,531	(56,495)	38,976
OSF Sanctions	-	111,228	(1,236)	109,992
Friends Provident Charitable Foundation	-	23,478	(15,241)	8,237
Joffe Charitable Trust via Foreign Policy Centre	-	2,500	(114)	2,386
Global Anti-Corruption Consortium via Transparency International Secretariat	-	29,491	(27,385)	2,106
OSF UK AML Campaign (supplemental grant)		80,764	(27,570)	53,194
General Income	5,629	24,254	(4,200)	25,683
Total	353,851	583,927	(489,851)	447,927

SPOTLIGHT ON CORRUPTION LTD

England & Wales - Charity number 1185872

Accounts

REGISTERED COMPANY NUMBER: 12123483 (England and Wales)
REGISTERED CHARITY NUMBER: 1185872

Spotlight on Corruption Ltd
Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2023

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

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Spotlight on Corruption Ltd
Chairman's Report
for the year ended 30 September 2023

Spotlight on Corruption Annual Report 2022/23

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2023.

Introduction by the Chair and Executive Director

Spotlight on Corruption has continued to grow, consolidate and mature over this financial year. We continue to work as a policy entrepreneur, generating bold and impactful solutions to key anti-corruption issues of the day.

Spotlight on Corruption provides a specific focus on how the UK enforces its anti-corruption laws and whether it is meeting its international commitments on combating corruption. We work to ensure the laws in place are fit for purpose, that they are proactively enforced, and that the UK has robust anti-corruption systems in place across government.

Our unique court monitoring programme is central to our work and provides part of our evidence base for much of our advocacy and policy work. We also undertake forensic, detailed research - drawing on extensive engagement with stakeholders - on how the UK enforces its anti-corruption laws and implements anti-corruption systems in line with international commitments. Spotlight's ability to make its mark is based on the way that we use this research and our court monitoring work to develop pragmatic yet ambitious recommendations for decision makers in government and parliament, and to inform public debate on anti-corruption issues.

Our Achievements

Spotlight has become a go-to organisation on corruption cases in the courts, as well as on issues relating to integrity in public life. For a small team, we have an outsized impact, with a strong media presence, and excellent relationships with law enforcement, experts, civil servants and parliamentarians.

Over the past financial year, we have worked to broaden how we get our messages across most effectively. As a result, during the year Spotlight on Corruption has:

- Had 151 quotes in the media, with 32 mentions, and 5 op-eds;
- Had our research referenced in 47 different Parliamentary debates;
- Submitted evidence to 7 different Select or Bill Committees and been cited in the final reports in 3;
- Provided briefings to Parliamentarians on 25 different amendments in 4 bills.

We have revamped our website, and increased our outreach through newsletters and social media.

This year has seen some exciting developments on issues that we have worked closely on, and which our work helped contribute towards:

- **Stronger economic crime legislation.** As the Economic Crime and Corporate Transparency Act passed through Parliament during the year, we worked with civil society allies to brief legislators on the issues behind the legislation. Crucially key corporate liability reforms - which represent the biggest upgrade of how companies can be prosecuted in over a decade and which we have campaigned on for several years - were introduced in this Act.
- **Greater scrutiny of professional enablers of economic crime and kleptocracy:** Russia's full-scale invasion of Ukraine has resulted in increased scrutiny of the legal sector's connections with individuals and entities linked to Putin's regime, and we made a timely contribution to this with our report on anti-money laundering supervision of the legal sector. This has helped generate increased pressure for tougher regulatory action against legal sector enablers. New obligations were introduced in the Economic Crime and Corporate Transparency Act to require legal sector regulators to promote the prevention and detection of economic crime, and to increase sanctions for the Solicitors Regulation Authority. The National Economic Crime Centre meanwhile has committed to develop a professional enablers strategy. This is a reflection of the growing consensus that tougher action must be taken against those who facilitate the entry of dirty money into the UK.

Spotlight on Corruption Ltd
Chairman's Report
for the year ended 30 September 2023

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Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

VISION, MISSION, OBJECTIVES AND ACTIVITIES

Our vision

We want to see a society with strong, transparent and accountable institutions which ensure corruption is not tolerated and democracy flourishes both in the UK and globally.

To achieve this we highlight corruption and the harm it causes, and campaign to improve the UK's legal systems and enforcement of the law.

Our mission

Spotlight on Corruption shines a light on the UK's role in corruption at home and abroad.

Our Charitable objects

Spotlight on Corruption's objects for the public benefit are:

- To prevent and relieve poverty in any part of the world caused directly or indirectly by corruption;
- To foster compliance with the law and the production of ethical codes of conduct by governmental, industrial, commercial, voluntary sector and commercial bodies;
- To promote the sound administration of the law in the field of anti-corruption.

Including (without limitation) by:

- The promotion and understanding of measures to reduce and eliminate corruption;
- The giving to legislative and public bodies and others, information and advice and assistance in relation to the reduction and elimination of corruption and effective means to achieve this;
- The promotion, undertaking or commissioning of research concerning effective means to achieve compliance with the law to promote ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies.

Our work

Our work seeks to address the role corruption plays as a root cause in driving global poverty, impeding development, and undermining democracy, institutions and good governance.

Our work involves:

- Tracking the implementation and enforcement of the UK's anti-corruption laws to ensure that they are deterring and preventing corruption;
- Undertaking detailed, evidence-based and impactful research on the implementation and enforcement of the UK's anti-corruption laws and policy, looking for ways in which they can be improved;
- Exploring the role that strategic litigation can play in improving anti-corruption enforcement outcomes.

Over the past year, Spotlight on Corruption has undertaken the following activities towards our long-term goals.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

Long-term goal #1: **The UK has a robust legislative and regulatory framework for prosecuting and sanctioning corruption and financial crime**

Our work towards this goal has focused on the following specific objectives:

1. Stronger corporate liability rules and more effective mechanisms for holding senior executives to account

Ensuring that corporate bodies can be effectively held to account for criminality is essential to drive up standards of corporate behaviour, and ensure the private sector adopts robust preventative procedures.

Spotlight has been at the forefront of campaigning for reform in this area, presenting evidence on the case for reform in expert submissions and evidence to Parliamentary Select Committees and to government officials on a regular basis.

After three years of tireless campaigning, the government came forward with an amendment to the Economic Crime and Corporate Transparency Act which introduced both a failure to prevent fraud offence, and a reform to the underlying identification doctrine to ensure a company can be held to account where a senior manager has committed an offence. These are significant changes to the rules for holding companies to account for economic crime, even if they do not go as far as we were advocating. The new failure to prevent offence does not include money laundering, for instance, and only applies to large companies.

Meanwhile, we have continued with our research on how senior executives of large companies are being held to account when there are corporate prosecutions. We have watched carefully as the government has reviewed the Senior Managers and Certification Regime - a regime put in place after the financial crisis to ensure greater senior accountability - including making a detailed submission to the government's Call for Evidence highlighting that the regime is poorly enforced rather than in need of reform.

2. Stronger laws and regulation for tackling kleptocratic money laundering and its enablers

In October 2022, Spotlight produced a major report, *A Privileged Profession? How the UK's legal sector escapes effective supervision for money laundering*. We found significant gaps and poor supervision across the sector, and engaged closely with regulators and civil servants before the report's launch. We held two events, one with experts and practitioners with the Global Integrity Anti-Corruption Evidence Program, and another in Parliament in early 2023. We were delighted when the government included a new duty on legal sector regulators to promote and prevent economic crime in the Economic Crime and Corporate Transparency Act, and gave the Solicitors Regulation Authority power to impose unlimited fines - a key policy recommendation in our report. During the passage of the Bill we briefed Parliamentarians about the importance of the new duty for legal sector regulators to promote the prevention and detection of economic crime.

During the year we have participated in various different panels about the role of the legal sector in facilitating dirty money. This included joining a Taskforce on ethics in the legal sector set up by the International Business Ethics institute. We also engaged closely with a government Call for Evidence about how the professional services should be supervised for money laundering including attending roundtables and making a detailed submission.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

Long-term goal #2: The UK has more proactive, properly resourced, transparent and effective enforcement of its anti-corruption laws

No law is effective without robust enforcement. One of Spotlight's unique focuses is on how laws work in practice. Our objectives under this goal and the activities we conducted to obtain them are as follows:

1. Greater transparency and more effective anti-corruption law enforcement

Resourcing is fundamental to ensuring there is robust enforcement, and under-resourcing has become a key theme of much expert and political commentary about weak enforcement performance in the UK.

During the year we worked with Parliamentarians to raise issues of resourcing of law enforcement, including briefing Parliamentarians during the passage of the Economic Crime and Corporate Transparency Act on how an Economic Crime Fighting Fund could work and on protecting law enforcement from excessive costs when they take on deep-pocketed kleptocratic suspects. The government committed to review how costs protection could work in civil recovery cases as a result.

With civil society colleagues, we highlighted resourcing shortfalls when the government launched its Fraud Strategy and new Economic Crime Plan, through blogs and commentary. And we also raised resourcing in commentary and public opinion pieces on the work of the Serious Fraud Office.

We also highlighted the importance of transparency to prevent fraud and funding shortfalls for enforcement to recover sums lost to fraud during our First Tier Tribunal case against the British Business Bank and Information Commissioner, for failing to release the names of companies that received government backed loans under COVID-19 support schemes. While the Tribunal did not rule in our favour, we highlighted the crucial lessons from the schemes which resulted in huge losses to the public purse from fraud.

We were given permission by the Court of Appeal to intervene in an important proceeds of crime case - supported by Kingsley Napley and Kennedy Talbot KC - that has significant implications for the UK's anti-money laundering regime and law enforcement.

We regularly provided comment to journalists on corruption cases in the courts, and our senior legal researcher who leads the court monitoring program had comment pieces on the implications of several high profile cases in Law 360.

2. Greater transparency and open justice in the UK courts for economic crime cases.

Spotlight on Corruption has continued to monitor key corruption cases in the UK courts and advocate for open justice. Our court monitoring program has continued to go from strength to strength, with regular open justice applications being made for documents and commentary on cases being regularly cited in the press.

Our support of the BBC and Evening Standard's application for lifting of anonymity in the case of major Conservative donor allowed for the case to be widely reported, as well as setting a crucial open justice precedent.

We have set up a court calendar on our website and continue to develop our internal database of court documents, as well as providing a significant public service by helping journalists and civil society members to apply for court documents and sharing the documents we have.

Our advocacy arising from our court monitoring work resulted in the Justice Committee picking up on many of our recommendations in its report on Open Justice in November 2022.

We have engaged closely with the Ministry of Justice on its open justice consultation including attending several roundtables and working closely with academics and civil society colleagues to develop a joint position. And we have also worked with these colleagues to establish the Courts and Tribunals Observers Network, an initiative focused on how the public can be supported to observe courts and access information in digital and physical environments.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

3. More transparent return of stolen assets and better representation of the harms caused by corruption, and of its victims in the UK courts.

Spotlight on Corruption continues to monitor how the harm caused by corruption is represented in the courts and how victims of corruption are compensated.

This year we briefed civil servants and made representations to the government about the need to include victim compensation in the Anti-Corruption Strategy. We also coordinated joint civil society letters (including partners in affected countries) to the UK government and law enforcement advocating for compensation after mining giant, Glencore, was convicted of paying bribes in five African countries.

We have also submitted evidence to Parliamentarians about overseas corruption victims in relation to the Victims Bill, and are working with legal allies to brief parliamentarians on potential amendments to the Victims Bill which would ensure victims of corruption can be properly compensated in bribery cases.

We continued to regularly highlight the lack of attention to victims in our commentary to the press and engagement with law enforcement and government, and to raise awareness through analysis and commentary about the UK's need to increase its rate of asset recovery of kleptocratic funds to have greater credibility on the international stage.

Long-term goal #3: The UK governments puts in place stronger anti-corruption systems to tackle corruption at home and abroad

Spotlight on Corruption also takes a holistic approach to how the UK tackles corruption, looking at how stronger systems to tackle corruption and dirty money can be robust and effective across the board. During the year we worked towards the following objectives:

1. Stronger anti-corruption measures in UK procurement including specifically an effective debarment regime, and robust conflict of interest rules

We worked with civil society colleagues to brief parliamentarians during the passage of the Procurement Bill as it passed through Parliament, particularly with regard to the need to tighten up the provisions on conflicts of interest and exclusion/debarment. Our work helped foster strong cross-party support for robust debarment measures, although the government did not accept the case for tighter provisions. We also highlighted weaknesses in the relation to these areas in blogs, commentary and social media.

2. Stronger rules and regulation of standards in public life in the UK

In Spring 2023, we published a briefing, Integrity Deferred, looking in detail at how the government had implemented (or not implemented) crucial recommendations on improving standards made by the Committee on Standards in Public Life and Nigel Boardman following the Greensill inquiry. When the government made an announcement about significant but limited reforms it would make to the regulation of standards in public life, we published a briefing on how the reforms stacked up in relation to the recommendations made, and provided commentary, including participating in an Institute for Government podcast discussing the reforms.

We have continued to provide briefings on a cross-party basis to parliamentarians about how to strengthen the way that standards are regulated and to tackle domestic corruption, including for the Labour Party on what its proposed Integrity and Ethics Commission could look like, and how to tackle losses from fraud and corruption to the public purse, as well as working on a 5 point plan to improve standards in public life with former Anti-Corruption Champion, John Penrose.

We engaged with civil servants to argue for strong commitments on integrity in public life in the new Anti-Corruption Strategy, produced a blog on the use and limitations of blind trusts to manage conflicts of interest which has been widely covered in some parts of the media, and gave regular commentary to the media, including appearing on Times Radio and LBC in relation to the Westminster Accounts.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

3. Effective Implementation and oversight of the Global Anti-Corruption Sanctions Regime to reduce impunity for corruption

During the year our work on sanctions has had to adapt to the reality of Russia's full-scale invasion of Ukraine, with sanctions against Russia rather than wider anti-corruption targets top of the political agenda. The UK's anti-corruption sanctions regime remains under-utilised and lacking in ambition.

Our court monitoring of sanctions cases has drawn attention to how the government's designation decisions are holding up under judicial scrutiny. We have also highlighted the serious issues with the UK's licensing regime and lack of coordination between the main sanctions regulator, the Office of Financial Sanctions Implementation (OFSI) and law enforcement that arose out of one case, and issues with law enforcement itself arising from another.

We have done a lot of work briefing Parliamentarians on a potential expansion of the sanctions evasion framework by requiring greater disclosure of assets by sanctioned individuals - a proposal that the government has committed to.

During the year, we have also put out significant commentary on sanctions enforcement and the licensing regime, engaged closely with OFSI and the Foreign, Commonwealth and Development Office (FCDO), including attending a meeting with the minister at the FCDO and facilitating a workshop between OFSI and civil society.

4. Stronger systems for preventing and tackling dirty money

Another issue that has emerged is the heightened risk of dirty money in party political financing. During the year we monitored several cases where prominent political donors had suspected links to dirty money.

We worked throughout the year to brief Parliamentarians about needs for checks on political parties to prevent foreign interference, during the passage of the National Security Bill. This work resulted in a tough stance by the House of Lords on the need for such checks and interventions by the Electoral Commission and members of the Intelligence and Security Committee, as well as the then chair of the Committee on Standards in Public Life - and in the government committing to consult on improving information-sharing between political parties, Companies House and other public bodies.

During the year we also developed a draft Know Your Donor policy for political parties with barristers specialising in electoral finance and anti-money laundering. We held a workshop with RUSI's Centre for Financial Crime Studies, with electoral law and money laundering experts and some representatives of political parties on the policy, and a follow up workshop at Cambridge Economic Crime Symposium on dirty money in electoral finance.

PUBLIC BENEFIT

The beneficiaries of our work are the victims of corruption in the UK and overseas and all those who will benefit from higher ethical standards of conduct in government and compliance with the law by the private sector. It includes ordinary citizens and voters, who are disadvantaged by governments misallocating public money as a result of corruption and who will benefit from the improved functioning of democracy that results from strong anti-corruption systems and robust institutions. It also includes businesses who are denied a level playing field by unfair practices that result from corruption.

Stronger enforcement of UK anti-corruption laws and higher anti-corruption standards in UK foreign policy and export support benefits victims of corruption and the public of countries affected by corruption by leading to:

- greater transparency about the identity of corrupt actors and the nature of their corruption to enable greater accountability;
- increased confiscation of corrupt assets which can be returned to affected countries through development projects;

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

- potential compensation through the courts in the event of conviction which can likewise be returned to affected countries; and
- strong social condemnation of and stronger procedures to prevent bribery and corruption.

Our work benefits the wider public in the UK by providing expert and insightful analysis about how anti-corruption laws are being enforced and anti-corruption standards maintained, including through our website, Twitter account and media engagement. Our work on improving integrity and anti-corruption measures in procurement benefits the public in the UK through providing solutions for how to improve public trust in government and in public contracting and ensure greater value for money in government spending.

Our board has taken into account the Commission's guidance on public benefit guidance when making relevant decisions.

MONITORING AND EVALUATION

In September 2023, we produced our first Impact Report looking at our achievements since Spotlight started in 2019.

During the year, Spotlight continued to expand our internal monitoring tool to assess our impact. We log on a weekly basis our achievements and significant outputs, and are looking to conduct more regular deep-dive reviews evaluating which sorts of interventions have the most impact, and why. We also undertook significant evaluation of our work through a series of strategy and planning processes internally. We are committed to being a learning organisation, and looking at new ways to ensure we have a continuous process of evaluation as part of how we develop strategy and deliver our workplans.

FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

As a small team with growing external demands on our time, managing urgent response to events and media driven opportunities alongside delivering long-term priorities is always a challenge. As we have become more established, such external demands on our time from speaking on panels to giving comment to the media have grown faster than our capacity.

Political will is a critical factor in achieving our objectives, and while there has been exceptionally strong political will in certain areas (particularly tackling dirty money as it relates to Russia and hostile states), in other areas it has been impossible to make progress due to lack of political will.

FUTURE PLANS - THE YEAR FROM OCTOBER 2023

As we deliver our Annual Plan for 23/24, we will be maintaining the same long-term goals and areas of work, with a specific focus over the next year on combating the UK's role as a hub for dirty money, making sure the Global Anti-Corruption Sanctions regime is used more ambitiously, as well as on encouraging strong political commitments on tackling dirty money in party political finance, and on better regulation of standards in public life.

At an organisational level, we will be exploring how we can work more efficiently and productively as a team, ensuring that staff feel valued and supported and that they can benefit from professional development. With increased operational capacity, we will be able to bring better systems and rhythm to our work. We will also be seeking to enhance Spotlight's financial sustainability, seeking out new opportunities for grants and donations.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

FINANCIAL REVIEW

This has been a year of financial stability at Spotlight as we consolidated last year's growth in our staff team. Overall income this year totalled £294,423 and we brought forward £440,810 from grants awarded in previous years. Sums brought forward included £369,946 from a three-year grant awarded by Open Society Foundations (OSF) in FY 2021-22 and generously provided in full at the outset of the grant period. The majority of our income this year came in the form of grant funding, and we also received £12,300 in contract funding from Open Society Justice Initiative and Fund for Policy Research to cover fees for legal advice on cases of mutual interest.

As in previous years, in FY 2022-23 Spotlight had good cash flow and financial security. After significant growth in FY 2021-22, expenditure grew more moderately in FY 2022-23, increasing by 16 per cent to £381,382. This reflected a period of stability after the 88 per cent increase in 2021-22 with the appointment of additional staff. This year a greater proportion of funds were therefore spent on our staff team. A lower proportion was spent on legal and professional fees, as FY 2020-21 included a one-off contract for professional polling to demonstrate public support for standards in public life. We continued our use of consultants contributing to research and business support.

Overall, the Charity ended the year with funds of £353,851, of which £252,129 represents the balance of the OSF funding which covered three years. We continue to be mindful that in order to sustain the size of organisation and achievements of this year, we shall need to secure substantial new funding within the next two financial years.

We are extremely grateful to our funders during this period:

The David and Elaine Potter Foundation
Joffe Charitable Trust
John Ellerman Foundation
The Joseph Rowntree Charitable Trust (JRCT)
JRSST Charitable Trust (JRSST-CT)
Luminate
Open Society Foundation London
Open Society Institute
REDRESS (sub-grant on behalf of Open Society Foundation)
Transparency International - UK (sub-grant on behalf of Open Society Foundation)
Fund for Policy Research

Further details of the grants are provided in Note 12.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

RESERVES POLICY

The Charity has reviewed its requirements for reserves from unrestricted income to be primarily for the following reasons: delays in funding or unforeseen terminations; cash flow variations. As a result of the review, Spotlight's policy is to hold reserves equating to at least three months of operating costs. With unrestricted funds of £234,937 carried forward, this requirement was met.

RISK MANAGEMENT

The Trustees have conducted a review of the major risks to which the charity is exposed and has a regularly updated risk register. The risk register is reviewed at each Board meeting. Where appropriate, systems or procedures have been identified to mitigate the risks that the charity faces.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

STRUCTURE, GOVERNANCE AND MANAGEMENT

In early 2024, after advertising the roles and conducting an interview process, Spotlight was delighted to recruit two new Trustees. With those new appointments soon to take place, Spotlight will be governed by seven Trustees, with Lloydette Mai-Barrow as Chair and Angus Brown as Treasurer. The Board is supported by a Finance and Audit Committee which oversees the finances of the organisation, drawing upon trustees with very significant expertise and experience in financial management and governance.

Board meetings take place three times a year, with Finance and Audit Committee meetings taking place ahead of the Board meetings. The Board approves Spotlight's Annual Plan in September ahead of each year, monitors its implementation in January, and receives a final report on activities and progress on objectives in the summer. In 2023, the Board approved a new Sickness Absence Policy as part of our commitment to supporting the wellbeing and health of staff.

The Executive Director is supported by a Senior Management Team, consisting of the Finance and Operations Advisor and a Senior Legal Researcher, and an Advisory Board of widely respected professionals from the sector. During the year we undertook a recruitment for a new Senior Grants and Operations Manager, who started work in October 2023 and will considerably ramp up our finance and operations work, to embed best practice, and bring greater efficiency and sustainability to the organisation.

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
12123483 (England and Wales)

Registered Charity number
1185872

Registered office
One New Street
Wells
Somerset
BA5 2LA

Trustees
Ms E Anderson (resigned 31/1/2023)
Ms L Bai-Marrow (Chair)
A Brown (Treasurer)
J Date
S Eastwood
J Kaye (Treasurer) (resigned 31/12/2022)
Ms C Stewart (appointed 22/11/2022)

Independent Examiner
Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Banks	
Triodos Bank	CCLA Investment Management
Deanery Road	1 Angel Lane
Bristol	London
BS1 5AS	EC4R 3AB

Senior Management Team
Dr Susan Hawley (Executive Director)
Mr George Havenhand
Mr Nigel Taylor

Approved by order of the board of trustees on 31 January 2024 and signed on its behalf by:

L. Bai-Marrow

Ms L Bai-Marrow - Chair

**Independent Examiner's Report to the Trustees of
Spotlight on Corruption Ltd**

Independent examiner's report to the trustees of Spotlight on Corruption Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

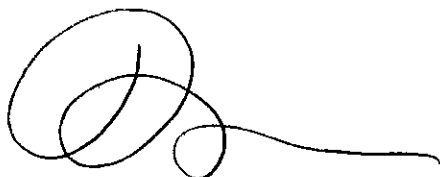
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Barry Davidson

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

14 March 2024

Spotlight on Corruption Ltd

**Statement of Financial Activities
for the year ended 30 September 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Grant income	2	236,836	51,958	288,794	637,061
Investment income	3	5,294	-	5,294	-
Other income		<u>335</u>	<u>-</u>	<u>335</u>	<u>-</u>
Total		<u>242,465</u>	<u>51,958</u>	<u>294,423</u>	<u>637,061</u>
EXPENDITURE ON					
Charitable activities					
Direct charitable activities and support costs	4	<u>183,033</u>	<u>198,349</u>	<u>381,382</u>	<u>328,698</u>
NET INCOME/(EXPENDITURE)		59,432	(146,391)	(86,959)	308,363
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>175,505</u>	<u>265,305</u>	<u>440,810</u>	<u>132,447</u>
TOTAL FUNDS CARRIED FORWARD		<u>234,937</u>	<u>118,914</u>	<u>353,851</u>	<u>440,810</u>

The notes form part of these financial statements

Spotlight on Corruption Ltd

**Balance Sheet
30 September 2023**

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
CURRENT ASSETS					
Debtors	8	1,488	-	1,488	6,200
Cash at bank		<u>244,608</u>	<u>118,914</u>	<u>363,522</u>	<u>443,447</u>
		246,096	118,914	365,010	449,647
CREDITORS					
Amounts falling due within one year	9	(11,159)	-	(11,159)	(8,837)
		<u>234,937</u>	<u>118,914</u>	<u>353,851</u>	<u>440,810</u>
NET CURRENT ASSETS					
		<u>234,937</u>	<u>118,914</u>	<u>353,851</u>	<u>440,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>234,937</u>	<u>118,914</u>	<u>353,851</u>	<u>440,810</u>
NET ASSETS					
		<u>234,937</u>	<u>118,914</u>	<u>353,851</u>	<u>440,810</u>
FUNDS					
	10				
Unrestricted funds				234,937	175,505
Restricted funds				<u>118,914</u>	<u>265,305</u>
TOTAL FUNDS					
				<u>353,851</u>	<u>440,810</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Spotlight on Corruption Ltd

**Balance Sheet - continued
30 September 2023**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 31 January 2024 and were signed on its behalf by:

Angus Brown

A Brown - Trustee

L. Bai-Marrow

L Bai-Marrow - Trustee

The notes form part of these financial statements

Spotlight on Corruption Ltd

Notes to the Financial Statements for the year ended 30 September 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2023

2. GRANT INCOME

	2023	2022
	£	£
Grants receivable	276,494	634,361
Fund for Policy Reform - Contract funding	8,400	-
OSI - Contract funding	<u>3,900</u>	<u>2,700</u>
	<u>288,794</u>	<u>637,061</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>5,294</u>	<u>-</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Direct charitable activities and support costs	<u>378,922</u>	<u>2,460</u>	<u>381,382</u>

5. SUPPORT COSTS

	2023	2022
	£	£
Governance costs		
Independent examiners fees	2,450	1,973
Finance charges	10	9
	<u>2,460</u>	<u>1,982</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration/other benefits or expenses for the year ended 30 September 2022 nor for the year ended 30 September 2021.

7. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	222,402	151,691
Social security costs	19,372	11,567
Other pension costs	<u>5,529</u>	<u>3,868</u>
	<u>247,303</u>	<u>167,126</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Staff	<u>5</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2023

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
	£	£
Accrued income	<u>1,488</u>	<u>6,200</u>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
	£	£
Social security and other taxes	2,133	57
Other creditors	-	853
Accrued expenses	<u>9,026</u>	<u>7,927</u>
	<u>11,159</u>	<u>8,837</u>

10. MOVEMENT IN FUNDS		Net	
	At	movement	At
	1/10/22	in funds	30/9/23
	£	£	£
Unrestricted funds			
General fund	175,505	59,432	234,937
Restricted funds			
Restricted Fund	265,305	(146,391)	118,914
	<u>440,810</u>	<u>(86,959)</u>	<u>353,851</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Movement
	resources	expended	in funds
	£	£	£
Unrestricted funds			
General fund	242,465	(183,033)	59,432
Restricted funds			
Restricted Fund	51,958	(198,349)	(146,391)
	<u>294,423</u>	<u>(381,382)</u>	<u>(86,959)</u>

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2023

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/10/21 £	Net movement in funds £	At 30/9/22 £
Unrestricted funds			
General fund	132,447	43,058	175,505
Restricted funds			
Restricted Fund	-	265,305	265,305
TOTAL FUNDS	<u>132,447</u>	<u>308,363</u>	<u>440,810</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	265,211	(222,153)	43,058
Restricted funds			
Restricted Fund	371,850	(106,545)	265,305
TOTAL FUNDS	<u>637,061</u>	<u>(328,698)</u>	<u>308,363</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2023.

12. ANALYSIS OF CHARITABLE FUNDS

	B/fwd £	Income £	Expenditure £	C/fwd £
Joseph Rowntree Charitable Trust	-	59,590	(59,590)	-
Joffe Charitable Trust	-	45,000	(26,250)	18,750
David and Elaine Potter Foundation	-	36,000	(13,333)	22,667
John Ellerman Foundation	20,000	30,000	(30,000)	20,000
OSF via REDRESS	2,610	22,158	(24,449)	319
OSF via TI UK	22,000	-	(22,000)	-
JRSST Charitable Trust	6,000	17,500	(22,083)	1,417
OSF UK AML Campaign	369,946	-	(117,817)	252,129
Luminate - direct funding	20,554	66,246	(53,860)	32,940
OSI - Contractor funding	(300)	3,900	(3,600)	-
Fund for Policy Research	-	8,400	(8,400)	-
General - other income	-	5,629	-	5,629
Total	<u>440,810</u>	<u>294,423</u>	<u>(381,382)</u>	<u>353,851</u>



SPOTLIGHT ON CORRUPTION LTD

England & Wales - Charity number 1185872

Accounts

REGISTERED COMPANY NUMBER: 12123483 (England and Wales)
REGISTERED CHARITY NUMBER: 1185872

Spotlight on Corruption Ltd
Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2022

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

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for the year ended 30 September 2022**

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Spotlight on Corruption Ltd
Chairman's Report
for the year ended 30 September 2022

Spotlight on Corruption Annual Report 2021/22

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2022.

Introduction by the Chair and Executive Director

Spotlight on Corruption was established in Autumn 2019 to bring new perspectives to, and to strengthen, the UK's anti-corruption movement. From the beginning, Spotlight has used the flexibility of being a small organisation to operate opportunistically where key policy reform moments arise, while founded on deep policy and legal expertise particularly in relation to enforcement and the courts. This has, we believe, brought a constructive, bold and outspoken voice to the movement.

Spotlight is now a well-established part of the anti-corruption landscape. We are recognised as a key partner, and one of three core partners alongside Transparency International UK and RUSI's Centre for Financial Crime and Security Studies, on economic crime and corruption issues by civil servants in relevant government departments. We are widely quoted in the media, and often the go-to organisation for journalists on anti-corruption and economic crime issues. And we are frequently cited in Parliament, for our research and innovative policy recommendations.

Spotlight on Corruption provides a specific focus on how the UK enforces its anti-corruption laws and whether it is meeting its international commitments on combating corruption. We work to ensure the laws in place are fit for purpose, that they are proactively enforced, and that the UK has robust anti-corruption systems in place across government.

Our unique court monitoring programme is central to our work and provides the evidence base for much of our advocacy and policy work. We also undertake forensic, detailed research - drawing on extensive engagement with stakeholders - on how the UK enforces its anti-corruption laws and implements anti-corruption systems in line with international commitments. Spotlight's ability to make its mark is based on the way that we use this research and our court monitoring work to develop pragmatic yet ambitious recommendations for decision makers in government and parliament, and to inform public debate on anti-corruption issues.

The last year has been a rollercoaster for all those in the anti-corruption community in the UK. Growing scandals about integrity in public life ultimately led to the downfall of a Prime Minister and the issue of how standards of behaviour by politicians are regulated has continued to dominate the news. At the same time, Russia's full invasion of Ukraine has turbo-charged UK efforts to tackle its vulnerabilities to, and enabling of, kleptocracy. Corruption has never been far from the headlines and our growing team has never been more busy and our work more relevant.

Our Achievements

This year has seen some exciting developments on issues that we have worked closely on, and which our work helped contribute towards:

Closing the UK golden visa regime. In early 2022, we worked closely with journalists at the Telegraph and the Observer to highlight the risks of dirty money inherent in this regime, which granted preferential visa treatment to people willing to invest large sums of money in the UK. We also worked with Parliamentarians to call for its suspension. In February 2022, just as Russia invaded Ukraine, the government abolished the regime altogether with immediate effect.

Stronger economic crime legislation. The emergency Economic Crime Act rushed through Parliament in March 2022 in response to the Russian invasion of Ukraine, contained several important measures which we had been advocating for to address weaknesses in the UK's anti-corruption armoury. This included strengthening the Unexplained Wealth Order regime by adopting costs protection for law enforcement and strengthening the sanctions penalty regime for the Office of Financial Sanctions Implementation (OFSI), following high-profile media reports about lack of sanctions enforcement.

Spotlight on Corruption Ltd

Chairman's Report for the year ended 30 September 2022

Heightened public debate about law enforcement resourcing. In early 2022, we published a landmark report about how to improve the resourcing for economic crime enforcement. The report has been widely reported by the media and cited in Parliament including in 2 parliamentary reports and 15 parliamentary debates.

Maintaining pressure for reform of the UK's integrity in public life framework. Our cross-party, and convening, work on integrity and public standards in the UK helped see three significant developments: a Private Members Bill introduced on Integrity and Ethics by Lord Anderson in the House of Lords; the former Anti-Corruption Champion's launch of a 5-point integrity plan for the government to adopt; and the continued promotion of and commitment to an Integrity and Ethics Commission by the Labour frontbench.

Tackling corruption in the UK procurement regime and banning corrupt companies from contracts. In May this year, the UK's new post-Brexit Procurement Bill introduced significant new provisions that would establish a debarment regime for companies that engage in wrongdoing - this is something we have worked and campaigned on for several years.

Looking forward

The year ahead will continue to be both challenging and busy. The cost of living and growing climate crises will create new opportunities for corruption. The government's deregulatory agenda may make the fight against corruption even harder as loose rules pose new risks of the UK attracting kleptocratic money and taking a light touch to regulating bad behaviour. It will be essential for the anti-corruption movement to focus its attention on how to tackle these issues and ensure that the fight against corruption is relevant to the UK achieving net zero targets and equitable growth.

This year we will focus on tackling professional enablers in the UK and how they are regulated, particularly those in the legal sector. We will also work to make sure that key pieces of new legislation, from the Procurement Bill, to the Economic Crime and Corporate Transparency Bill to the Victims Bill, are as robust as possible. And we will continue to hold the government's feet to the fire on making sure that our own house here in the UK is in order. We'll be engaging closely with government officials to make sure that the next iterations of the Economic Crime Plan and Anti-Corruption Strategy are ambitious and concrete.

In keeping with our strong collaborative ethos, we will continue to work in coordination with our civil society partners. We will engage extensively with a wide range of stakeholders, and act as a key partner and stakeholder for government and Parliamentarians in driving change and reform.

Organisationally, we have finalised a new three-year strategy after an extensive process of planning internally. With enhanced communications expertise now on our staff, we will also be looking at ways to improve how we communicate our work to a broad range of audiences including through our revamped website which was launched towards the end of 2022. And finally we will seek to nurture and cherish our small and dedicated team of staff to make sure that Spotlight continues to embody its values of curiosity, commitment, collaboration, creativity and courage.

L Bai-Marrow
Chair

S Hawley
Executive Director

Spotlight on Corruption Ltd
Report of the Trustees
for the year ended 30 September 2022

VISION, MISSION, OBJECTIVES AND ACTIVITIES

Our vision

We want to see a society with strong, transparent and accountable institutions which ensure corruption is not tolerated and democracy flourishes both in the UK and globally.

To achieve this we highlight corruption and the harm it causes, and campaign to improve the UK's legal systems and enforcement of the law.

Our mission

Spotlight on Corruption shines a light on the UK's role in corruption at home and abroad.

Our Charitable objects

Spotlight on Corruption's objects for the public benefit are:

- To prevent and relieve poverty in any part of the world caused directly or indirectly by corruption;
- To foster compliance with the law and the production of ethical codes of conduct by governmental, industrial, commercial, voluntary sector and commercial bodies;
- To promote the sound administration of the law in the field of anti-corruption.

Including (without limitation) by:

- The promotion and understanding of measures to reduce and eliminate corruption;
- The giving to legislative and public bodies and others, information and advice and assistance in relation to the reduction and elimination of corruption and effective means to achieve this;
- The promotion, undertaking or commissioning of research concerning effective means to achieve compliance with the law to promote ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies.

Our work

Our work seeks to address the role corruption plays as a root cause in driving global poverty, impeding development, and undermining democracy, institutions and good governance.

Our work involves:

- Tracking the implementation and enforcement of the UK's anti-corruption laws to ensure that they are deterring and preventing corruption;
- Undertaking detailed, evidence-based and impactful research on the implementation and enforcement of the UK's anti-corruption laws and policy, looking for ways in which they can be improved;
- Exploring the role that strategic litigation can play in improving anti-corruption enforcement outcomes.

During the 2021-2022 financial year, we have significantly increased our staff thanks to increased funding. With the addition of a Legal Researcher to run our court monitoring programme, as well as an Advocacy Advisor and a Communications Advisor, Spotlight has built a highly professional, motivated and insightful team that has significantly enhanced the depth and reach of our work.

During the financial year, Spotlight on Corruption undertook the following activities towards our long-term goals.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

Long-term goal #1: **The UK has a robust legislative and regulatory framework for prosecuting and sanctioning corruption and financial crime**

Our work towards this goal has focused on the following specific objectives:

1. Stronger corporate liability rules and more effective mechanisms for holding senior executives to account

Prosecutors in the UK have long argued that they operate with one hand tied behind their back when it comes to taking on corporations and their senior executives for corruption and associated crimes like fraud and money laundering. Ensuring that corporate bodies can be effectively held to account for criminality is essential to drive up standards of corporate behaviour, and ensure the private sector adopts robust preventative procedures.

Spotlight has been at the forefront of campaigning for reform in this area, presenting evidence on the case for reform in expert submissions and evidence to Parliamentary Select Committees and to government officials on a regular basis.

The financial year saw the publication of a major Law Commission review of corporate criminal liability to which Spotlight contributed as a stakeholder. The review found that the current rules for holding corporates to account do indeed, as we have long argued, pose "an obstacle to holding large companies criminally responsible for offences committed in their interests by their employees." The Commission found that the rules were unfair and incentivised poor corporate governance and laid out a range of options for reform.

We worked closely with Parliamentarians and civil society colleagues to shape the response to the announcement of the Law Commission's report in June 2022 and our comments on this were widely picked up by the media. We have engaged closely with government to encourage rapid implementation of the most ambitious options. It has been encouraging to see a marked shift in tone within government recognising that this reform is indeed desirable for the fight against economic crime.

During the financial year, we also continued to research whether senior executives in the UK are escaping any liability when they are at the helm of companies that engage in criminality. This is in preparation for a publication in the next year. We continue to raise the importance of addressing senior executive accountability in commentary to the press, and our engagements with Parliamentarians and the government.

2. Stronger laws and regulation for tackling kleptocratic money laundering and its enablers

Spotlight on Corruption monitors closely how the UK's anti-money laundering laws are enforced in the UK courts. During the 2020-21 financial year, this monitoring picked up some major issues with the flagship Unexplained Wealth Order regime which the UK government introduced as a so-called McMafia tool to tackle dirty money. During 2021-2022, we engaged closely with government about the need for reform of this regime to make it more workable. We were delighted that many of our recommendations were picked up and implemented through the Economic Crime Act passed in Parliament in March 2022 including a provision to protect law enforcement bodies from costs.

Ensuring that professional enablers are properly held to account for their role in money laundering is essential. During 2022, Spotlight on Corruption engaged closely with whether the UK's anti-money laundering supervision and regulation is up to scratch. We highlighted serious deficiencies in blogs, and the press, and engaged closely with a call for evidence by the Treasury on reform of the regime. We also worked on an extensive report on weaknesses in the anti-money laundering supervision of the legal sector, engaging closely with regulators and government officials on its findings.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

Long-term goal #2: The UK has more proactive, properly resourced, transparent and effective enforcement of its anti-corruption laws

No law is effective without robust enforcement. One of Spotlight's unique focuses is on how laws work in practice. Our objectives under this goal and the activities we conducted to obtain them are as follows:

1. Greater transparency and more effective anti-corruption law enforcement

In January 2022, we published a major report on law enforcement resourcing: 'Closing the UK's Economic Crime Enforcement Gap'. This report has been widely picked up and reported by the press and within Parliament. We developed briefings for parliamentarians on this report, including feeding in recommendations on a major Economic Crime Manifesto developed by the All Party Parliamentary Groups on Anti-Corruption and Fair Business Banking, and briefing parliamentarians ahead of a backbench business debate on economic crime enforcement.

We also closely followed two major independent reports into serious issues at the UK's Serious Fraud Office - one of the country's lead agencies on tackling corruption and economic crime. We produced commentary for the press about the reports, and briefings for the Commons Justice Committee on how these issues could be addressed, as well as engaging closely with stakeholders from the legal community on innovative solutions for addressing the issues.

2. Greater transparency and open justice in the UK courts for economic crime cases.

Spotlight on Corruption has continued to monitor key corruption cases in the UK courts and advocate for open justice. This has included publishing detailed case studies on our website, including of Petrofac, Unaoil and a major arbitration case involving Nigeria. It has also included regular applications for court documents, and submissions to support challenges to blanket anonymity orders in order to protect open justice principles. We have produced expert commentary on key cases including the bribery conviction of mining giant Glencore and a crucial test of UK sanctions evasion enforcement, in the Aven case.

We have also used our experience in the courts to inform advocacy on open justice. We submitted evidence to the Justice Committee inquiry on Court Reporting in the Digital Age, with specific recommendations for how to significantly improve open justice across the board.

3. More transparent return of stolen assets and better representation of the harms caused by corruption, and of its victims in the UK courts.

Spotlight on Corruption continues to monitor how the harm caused by corruption is represented in the courts and how victims of corruption are compensated. We made a submission to the Law Commission's consultation on confiscation to argue for new rules to ensure that overseas victims of corruption and whistleblowers can be properly compensated. We also submitted evidence to the Justice Committee's scrutiny of the draft Victims Bill. We worked closely with international partners to push the OECD to include victims in their revised recommendation on combating foreign bribery. Although this was unsuccessful it helped raise the issue and prompted a proactive and ongoing discussion within the UK government on this issue. We regularly highlight the lack of attention to victims in our commentary to the press and engagement with law enforcement and government.

Spotlight also works on ensuring that assets recovered from international anti-corruption investigations in the UK and compensation are returned to the countries from which they came in a transparent and accountable way. We have engaged closely with government on this, producing a blog on the government's new asset recovery framework released in January 2022, as well as working with partners in the global south where possible to encourage more civil society consultation and transparency in returns. We issued a joint statement with a Nigerian partner on the return of Abacha assets to Nigeria and communicated concerns from Nigerian partners about the return of assets relating to James Ibori.

We have also worked with lawyers to advocate for NGOs to be given standing to bring asset recovery cases, and raised strong concerns about the recent policy push for big city law firms to be involved in doing asset recovery for grand corruption cases.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

Long-term goal #3: **The UK governments puts in place stronger anti-corruption systems to tackle corruption at home and abroad**

Spotlight on Corruption also takes a holistic approach to how the UK tackles corruption, looking at how stronger systems to tackle corruption and dirty money can be robust and effective across the board. During the year we worked towards the following objectives:

1. Stronger anti-corruption measures in UK procurement including specifically an effective debarment regime, and robust conflict of interest rules

We worked with partners in the UK Anti-Corruption Coalition (UKACC) to produce a briefing on the government's response to its Green Paper consultation on the Procurement Bill in December 2021. We then worked with the UKACC and Open Contracting Partnership to produce a rapid response to the Procurement Bill when it was published in May 2022. While we were strongly encouraged that the government is seeking to introduce a debarment regime into the UK for the first time, and by signals that it is willing to use this in some recent corporate cases, as a result of our expertise in this area we were able to highlight some potential gaps in the legislation. We presented on an expert panel about the Bill providing input on the debarment and conflict of interest provisions, and have worked with experts to develop potential amendments to strengthen the Bill.

During 2021/22, we were also able to reveal, as a result of our work that uses the Freedom of Information Act to ensure transparency and accountability in the workings of government, that half of Personal Protective Equipment procured during COVID through the now infamous "VIP lane" for those that had personal contacts with ministers and MPs was not fit for purpose.

2. Stronger rules and regulation of standards in public life in the UK

We developed a campaign over the year to raise the temperature on government to introduce stronger rules and regulations for protecting integrity in public life. This started with commissioning focus group work jointly with Transparency International UK over the Autumn of 2021 on the Red and Blue Wall views on integrity in politics. We then convened an informal working group of experts to develop an Integrity and Ethics Bill to implement key recommendations from the UK's top ethics body, the Committee on Standards in Public Life. The Bill, which was drafted by a top parliamentary draftsman and reviewed by former standards regulators, was introduced as a Private Members Bill by Lord Anderson, former Independent Reviewer of Terrorism Legislation.

Our work on this area has also included cross-party engagement, working with former Anti-Corruption Champion, Conservative MP John Penrose to develop a 5-point integrity plan to promote with backbench Conservative MPs, while working closely with the Labour front bench to inform their proposals on integrity and standards in public life, including on their key recommendation on an Integrity and Ethics Commission.

We also worked through the Open Government Partnership throughout the year to encourage government to jointly co-author a national commitment on improving regulation of integrity in public life. We frequently commented on standards-related stories, and made expert commentary about the importance of implementing the Committee on Standards in Public Life's recommendations.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

3. Effective implementation and oversight of the Global Anti-Corruption Sanctions Regime to reduce impunity for corruption

The UK's Global Anti-Corruption Sanctions regime promised to mark a new era of leadership by the UK in ending impunity for corruption globally. Unfortunately, after considerable work by civil society to help shape the regime, it has been little used during the year. We worked closely with colleagues at International Lawyers Project and Redress to get funding for and appoint an anti-corruption sanctions coordinator hosted by Redress. We also worked to convene two informal working groups on specific countries, Kazakhstan and Russia, which led to considerable Parliamentary and media engagement.

Russia's invasion of Ukraine in February 2022, has put a new spotlight on corruption, at the same time as consuming most of the government's attention in relation to sanctions. At the start of the invasion, we highlighted serious weaknesses in the UK sanctions regime and with UK sanctions enforcement which resulted in considerable improvements introduced in the first Economic Crime Act. Our work on weak sanctions enforcement was picked up widely by the media and we worked to brief parliamentarians on this during the passage of the Bill. We have also engaged closely with civil society colleagues on the increasingly high-profile but fraught agenda on how to seize assets frozen under sanctions regimes to help rebuild Ukraine and provide reparations.

4. Stronger systems for preventing and tackling dirty money

We work on a range of systemic issues in the UK which make it vulnerable to dirty money from kleptocratic regimes abroad.

One of these issues was how the UK's Golden Visa or Tier 1 Investor regime posed serious risks to the UK's national security. Our court monitoring picked up that targets of NCA dirty money cases had in various cases been granted Golden Visas. We worked with the Telegraph and the Observer to highlight ongoing weaknesses in the regime, and we briefed Peers who proposed a suspension of the regime in an amendment to the Nationality and Borders Bill. We were delighted when the government announced in February 2022 that it was closing the regime. We have continued to press the government on publication of a review of the national security risks posed by the regime particularly between 2008-2015 when very few if any checks were conducted on recipients of the visa.

Another issue that has emerged is the risk of dirty money in party political financing. During the year we monitored several cases where prominent political donors had suspected links to dirty money. We advocated for political parties to carry out proper checks on the sources of wealth of donors - a reform that was promoted in an editorial in the Times following our engagement - and have worked to develop a compliance policy for political parties.

PUBLIC BENEFIT

The beneficiaries of our work are the victims of corruption in the UK and overseas and all those who will benefit from higher ethical standards of conduct in government and compliance with the law by the private sector. It includes ordinary citizens and voters, who are disadvantaged by governments misallocating public money as a result of corruption and who will benefit from the improved functioning of democracy that results from strong anti-corruption systems and robust institutions. It also includes businesses who are denied a level playing field by unfair practices that result from corruption.

Stronger enforcement of UK anti-corruption laws and higher anti-corruption standards in UK foreign policy and export support benefits victims of corruption and the public of countries affected by corruption by leading to:

- greater transparency about the identity of corrupt actors and the nature of their corruption to enable greater accountability;
- increased confiscation of corrupt assets which can be returned to affected countries through development projects;

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

- potential compensation through the courts in the event of conviction which can likewise be returned to affected countries; and
- strong social condemnation of and stronger procedures to prevent bribery and corruption.

Our work benefits the wider public in the UK by providing expert and insightful analysis about how anti-corruption laws are being enforced and anti-corruption standards maintained, including through our website, Twitter account and media engagement. Our work on improving integrity and anti-corruption measures in procurement benefits the public in the UK through providing solutions for how to improve public trust in government and in public contracting and ensure greater value for money in government spending.

Our board has taken into account the Commission's guidance on public benefit guidance when making relevant decisions.

MONITORING AND EVALUATION

During 2021/22, Spotlight developed an internal monitoring tool to monitor our impact. We also undertook significant evaluation of our work through a series of strategy and planning processes internally. We also had an external communications agency seek views from external stakeholders on Spotlight's work and niche within the anti-corruption landscape as part of the development of our communications strategy, in late 2021.

We will continue to develop our internal processes for monitoring and evaluation, which up to now has primarily taken place through reporting to the Board and to funders. With new expertise on board, we are looking to strengthen our monitoring and evaluation processes over the next year, looking at different technologies to help us capture impact and embed organisational learning.

FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

The volatile political environment of the past year has made planning and strategising difficult. External events meanwhile have brought new challenges but also new opportunities. Russia's invasion of Ukraine, while creating serious threats to peace, stability and democracy, also opened up political space for addressing the UK's vulnerabilities to kleptocracy in new ways.

As a small team with growing external demands on our time, managing urgent response to events and media driven opportunities alongside delivering long-term priorities has been a challenge. This year we have grown our team by three staff, creating additional legal, advocacy and communications capacity which has significantly helped.

FUTURE PLANS - THE YEAR FROM OCTOBER 2022

With the ongoing squeeze on public spending, issues of how under-resourced law enforcement agencies and the criminal justice system will be affected will be at the forefront of our work. For 2022/23, we hope to win the policy argument that more of the resources that law enforcement brings in need to be recycled back into the agencies on top of their budgets.

In the 22/23 financial year, there is also likely to be an increased focus on professional enablers of kleptocracy particularly in the legal sector. A detailed report, "A Privileged Profession: How the UK's legal sector escapes effective supervision for money laundering" published in the Autumn of 2022 on the lack of meaningful supervision and enforcement of the legal sector will form the basis for our engagement with legal sector regulators and government as well as the legal sector itself. It has already resulted in some strong measures being proposed in Parliament to toughen up supervision in the sector.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

Several key pieces of legislation relevant to our work will also be going through Parliament during the year. This includes the Economic Crime and Corporate Transparency Bill, where we will be briefing decision-makers in Parliament and government about ambitious ways to implement corporate liability reform and introduce other measures to support law enforcement. It also includes the Procurement Bill, where we will explore ways to ensure the UK's debarment regime is as effective as possible. And it includes potentially a Victims Bill, where we will hope to raise the serious deficiencies in the UK legal framework that mean that it is almost impossible for victims of corruption and the harm caused by corruption to be properly reflected in courts.

Meanwhile, the financial year of 22/23 has already seen the publication of a new three-year Economic Crime Plan and will see a new five-year Anti-Corruption Strategy, both of which we have and continue to engage on with closely as stakeholders, working alongside our civil society colleagues.

We will continue our work on pushing for stronger regulation of standards of integrity and ethics at the top levels of government, with greater independence for regulators, and an ambitious implementation of key recommendations made by the UK's top ethics body, the Committee on Standards in Public Life. In 2022/23, we will also be launching a new court database and calendar, mapping key corruption trials, including associated documents, in the courts of England and Wales.

FINANCIAL REVIEW

After a strong performance in our first year, it was encouraging to achieve a 40 per cent increase in income last year. In this third year, new grants from OSF and the Potter Foundation significantly consolidated this picture. Overall, income totalled £637,061, but this included a grant of £402,018 from OSF covering three years, of which £369,946 was carried forward. For the first time, Spotlight received significant grants for restricted purposes, in all totalling £371,850. These included funding from high-net-worth individuals as well as a significant proportion of the new OSF grant. With funders generously providing much of their funding fully at the outset of the grant period Spotlight had good cash flow and financial security. Additional funding of this type enabled Spotlight to recruit more staff and consultants whose work added to Spotlight's achievements and reputation, drawing in yet more funding.

Substantial funds received in the latter part of FY 2020-21 and those received for this year enabled a significant growth in expenditure to £328,698, a 88 percent increase on the previous year. This reflected an increase in the staff team from three to five; increased use of long-term consultants contributing to policy research and business support; greater use of other consultants to complement in-house research; and contracts for professional polling to demonstrate public support for standards in public life, and legal advice.

Overall, the Charity had a surplus for the period of £440,810, but as indicated above, £369,946 of this represents the balance of the OSF funding to cover three years. An additional £30,010 of the carry forward was restricted from other sources. So, although the balance appears strong, much of it is earmarked for future spend. Consequently, we are mindful that in order to sustain the size of organisation and achievements of this year, we shall need to secure new funding, particularly for when generous long-term funding contracts end in coming years.

We are extremely grateful to our funders during this period:

Cobalt Trust
The David and Elaine Potter Foundation
Joffe Charitable Trust
John Ellerman Foundation
The Joseph Rowntree Charitable Trust (JRCT)
JRSST Charitable Trust (JRSST-CT)
Luminate
Open Society Foundation London
Open Society Institute
REDRESS (sub-grant on behalf of Open Society Foundation)
Transparency International - UK (sub-grant on behalf of Open Society Foundation)
Woodhaven Trust

Further details of the grants are provided in Note 11.

Spotlight on Corruption Ltd

Report of the Trustees for the year ended 30 September 2022

RESERVES POLICY

The Charity has reviewed its requirements for reserves from unrestricted income to be primarily for the following reasons: delays in funding or unforeseen terminations; cash flow variations. As a result of the review, Spotlight's policy is to hold reserves equating to three months of operating costs. With unrestricted funds of £175,505 carried forward, this requirement was met.

RISK MANAGEMENT

The Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established for review at each Board meeting. Where appropriate, systems or procedures have been identified to mitigate the risks that the charity faces.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Professor Liz David-Barrett, stood down as Chair on taking up a position at the International Anti-Corruption Academy in Vienna but we are delighted that the Board appointed Lloydette Bai-Marow to succeed her. Both Liz David-Barrett and another founding Trustee moved to our Advisory Group. With two recent resignations for personal reasons, Spotlight has an engaged and expert Board of five people, with an expanded Advisory Group of widely respected professionals from the sector. We shall be actively recruiting additional Board members in 2023 to reflect the new Diversity, Equity and Inclusion policy (see below). The Finance and Audit Committee continues to oversee the finances of the organisation, drawing upon trustees with significant expertise and experience in financial management and governance. It reports to the Board.

Board meetings take place three times a year, with Finance and Audit Committee meetings taking place ahead of the Board meetings. The Board approves Spotlight's Annual Plan in September ahead of each year, monitors its implementation in January, and receives a final report on activities and progress on objectives in the summer. The Board has been extensively engaged in the development of the new three-year strategy.

In 2022, the Board approved two significant policies. The **Reward policy** affirms Spotlight on Corruption's commitment to recognise and support the outstanding contributions of its staff, including through remuneration, scope for internal promotion, and resources for personal development. A more developed appraisal mechanism will complement this with support from our Human Resources consultant. The **Diversity, Equity and Inclusion policy** asserts the Charity's intention to ensure that these principles are reflected in all aspects of its work. It sets bold targets to ensure that our governance better reflects the global burden of corruption, and that as an organisation we draw in a wider range of experiences and backgrounds in those that contribute to our work.

We were delighted that Spotlight on Corruption's Executive Director secured support from Luminate to develop her skills in her transition to leading a significantly larger and more impactful organisation. She is supported by a Senior Management Team, consisting of the Finance and Operations Advisor and a Senior Legal Researcher. During the coming year we shall be looking to strengthen our finance and operations function to reflect our growing and more complex needs.

Spotlight on Corruption Ltd

Report of the Trustees
for the year ended 30 September 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
12123483 (England and Wales)

Registered Charity number
1185872

Registered office

One New Street
Wells
Somerset
BA5 2LA

Trustees

Ms E Anderson (resigned 31/1/2023)
Ms L Bai-Marrow (Chair) (appointed 28/1/2022)
A Brown (appointed 28/1/2022)
J Date (appointed 28/1/2022)
Prof E David-Barrett (resigned 25/4/2022)
S Eastwood (appointed 28/1/2022)
J Kaye (Treasurer) (resigned 31/12/2022)
Ms C Stewart (appointed 22/11/2022)

Independent Examiner

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Banks

Triodos Bank	CCLA Investment Management
Deanery Road	1 Angel Lane
Bristol	London
BS1 5AS	EC4R 3AB

Senior Management Team

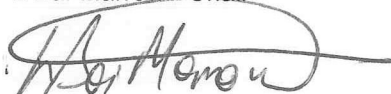
Dr Susan Hawley (Executive Director)
Mr George Havenhand
Mr Nigel Taylor

Approved by order of the board of trustees on 22 June 2023 and signed on its behalf by:



A Brown - Treasurer

L Bai-Marrow - Chair



**Independent Examiner's Report to the Trustees of
Spotlight on Corruption Ltd**

Independent examiner's report to the trustees of Spotlight on Corruption Ltd ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

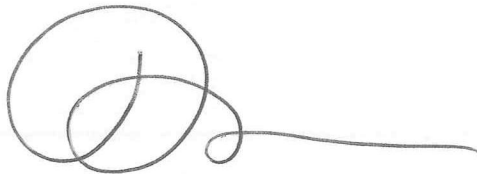
Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Barry Davidson

Webb & Co Ltd
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

22 June 2023

Spotlight on Corruption Ltd

Statement of Financial Activities
for the year ended 30 September 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Grant income	2	<u>265,211</u>	<u>371,850</u>	<u>637,061</u>	<u>252,948</u>
EXPENDITURE ON					
Charitable activities	3				
Direct charitable activities and support costs		<u>222,153</u>	<u>106,545</u>	<u>328,698</u>	<u>175,074</u>
NET INCOME		43,058	265,305	308,363	77,874
RECONCILIATION OF FUNDS					
Total funds brought forward		132,447	-	132,447	54,573
TOTAL FUNDS CARRIED FORWARD		<u><u>175,505</u></u>	<u><u>265,305</u></u>	<u><u>440,810</u></u>	<u><u>132,447</u></u>

The notes form part of these financial statements

Spotlight on Corruption Ltd

**Balance Sheet
30 September 2022**

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
CURRENT ASSETS					
Debtors	7	6,200	-	6,200	316
Cash at bank		178,142	265,305	443,447	137,509
		<u>184,342</u>	<u>265,305</u>	<u>449,647</u>	<u>137,825</u>
CREDITORS					
Amounts falling due within one year	8	(8,837)	-	(8,837)	(5,378)
		<u>175,505</u>	<u>265,305</u>	<u>440,810</u>	<u>132,447</u>
NET CURRENT ASSETS					
		<u>175,505</u>	<u>265,305</u>	<u>440,810</u>	<u>132,447</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>175,505</u>	<u>265,305</u>	<u>440,810</u>	<u>132,447</u>
NET ASSETS					
		<u>175,505</u>	<u>265,305</u>	<u>440,810</u>	<u>132,447</u>
FUNDS					
	9			175,505	132,447
Unrestricted funds				265,305	-
Restricted funds				<u>440,810</u>	<u>132,447</u>
TOTAL FUNDS					
				<u>440,810</u>	<u>132,447</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

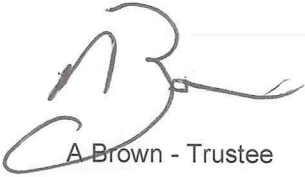
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Spotlight on Corruption Ltd

**Balance Sheet - continued
30 September 2022**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2023 and were signed on its behalf by:



A Brown - Trustee



L Bai-Marrow - Trustee

The notes form part of these financial statements

Spotlight on Corruption Ltd

Notes to the Financial Statements for the year ended 30 September 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2022

2. GRANT INCOME

	2022 £	2021 £
Grants receivable	634,361	252,948
OSI - Contractor funding	2,700	-
	<u>637,061</u>	<u>252,948</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 4) £	Totals £
Direct charitable activities and support costs	326,716	1,982	328,698
	<u>326,716</u>	<u>1,982</u>	<u>328,698</u>

4. SUPPORT COSTS

Governance costs

	2022 £	2021 £
Independent examiners fees	1,973	1,416
Finance charges	9	-
	<u>1,982</u>	<u>1,416</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration/other benefits or expenses for the year ended 30 September 2022 nor for the year ended 30 September 2021.

6. STAFF COSTS

	2022 £	2021 £
Wages and salaries	151,691	108,297
Social security costs	11,567	6,763
Other pension costs	3,868	2,594
	<u>167,126</u>	<u>117,654</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Staff	<u>4</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2022

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Accrued income	6,200	316
	<u> </u>	<u> </u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Social security and other taxes	57	2,556
Other creditors	853	460
Accrued expenses	7,927	2,362
	<u> </u>	<u> </u>
	8,837	5,378
	<u> </u>	<u> </u>

9. MOVEMENT IN FUNDS		Net	
	At	movement	At
	1/10/21	in funds	30/9/22
	£	£	£
Unrestricted funds			
General fund	132,447	43,058	175,505
Restricted funds			
Restricted Fund	-	265,305	265,305
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	132,447	308,363	440,810
	<u> </u>	<u> </u>	<u> </u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Movement
	resources	expended	in funds
	£	£	£
Unrestricted funds			
General fund	265,211	(222,153)	43,058
Restricted funds			
Restricted Fund	371,850	(106,545)	265,305
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	637,061	(328,698)	308,363
	<u> </u>	<u> </u>	<u> </u>

Comparatives for movement in funds

	At	Net	At
	1/10/20	movement	30/9/21
	£	£	£
Unrestricted funds			
General fund	54,573	77,874	132,447
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	54,573	77,874	132,447
	<u> </u>	<u> </u>	<u> </u>

Spotlight on Corruption Ltd

Notes to the Financial Statements - continued
for the year ended 30 September 2022

9. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	252,948	(175,074)	77,874
	<u>252,948</u>	<u>(175,074)</u>	<u>77,874</u>
TOTAL FUNDS	<u>252,948</u>	<u>(175,074)</u>	<u>77,874</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 September 2022.

11. ANALYSIS OF CHARITABLE FUNDS

	B/fwd £	Income £	Expenditure £	C/fwd £
Joseph Rowntree Charitable Trust	-	33,400	(33,400)	-
Joffe Charitable Trust	-	30,000	(30,000)	-
David and Elaine Potter Foundation	-	35,000	(35,000)	-
Luminate - via TI UK	19,907	-	(19,907)	-
The Cobalt Trust	-	12,500	(12,500)	-
The Indigo Trust	10,000	-	(10,000)	-
The John Ellerman Trust	12,500	30,000	(22,500)	20,000
OSF via REDRESS	-	17,083	(14,473)	2,610
OSF via TI UK	22,000	25,000	(25,000)	22,000
JRSST Charitable Trust	-	35,000	(29,000)	6,000
OSF UK AML Campaign	-	402,018	(32,072)	369,946
Woodhaven Trust	-	12,500	(12,500)	-
Luminate - direct funding	68,040	1,860	(49,346)	20,554
OSI - Contractor funding	-	2,700	(3,000)	(300)
	<u>132,447</u>	<u>637,061</u>	<u>(328,698)</u>	<u>440,810</u>

SPOTLIGHT ON CORRUPTION LTD

England & Wales - Charity number 1185872

Accounts

COMPANY REGISTRATION NUMBER: 12123483
CHARITY REGISTRATION NUMBER: 1185872

Spotlight on Corruption Ltd
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2021

WEBB & CO LTD
Accountants and Business Advisers
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

Company Limited by Guarantee

Financial Statements

Year ended 30 September 2021

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Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 30 September 2021

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2021.

Introduction by the Chair and Executive Director

Welcome to Spotlight on Corruption's second Annual Report.

Spotlight on Corruption is a UK-based anti-corruption charity whose primary focus is on how the UK implements and enforces its anti-corruption laws and upholds standards of ethical conduct and integrity. Our work is premised on the fact that good laws are not enough without proactive enforcement and good policy is not enough without effective implementation. We put the UK's anti-corruption laws, their enforcement and government anti-corruption policy under a forensic spotlight with the ultimate goal of ending impunity for corruption at home and abroad.

Spotlight on Corruption is the only charity to consistently monitor corruption cases in the UK courts - involving bribery, fraud, money laundering and other financial crimes - and enforcement of the law. Our programme of monitoring cases helps us to track whether the laws are being enforced, how emerging case law affects their implementation, and to understand how effectively corruption is being detected, penalised and deterred.

Our impact

Spotlight on Corruption has grown from a start-up to an established and well-respected anti-corruption charity over the past year. Our policy recommendations and advocacy influence reforms across a range of important issues. Our analysis and commentary on how well anti-corruption laws are working feature frequently in the media and help shape the narrative and public debate around the UK's efforts to fight corruption at home and abroad. Our briefings and research continue to provide a crucial bedrock for evidence-based policy making.

This year our impact has included getting strong cross-party support for corporate liability reform, so that large financial bodies and firms that enable money laundering can be held to account for economic crime - a crucial policy area currently under review by the Law Commission. It has also included getting considerable traction for reform to the UK's McMafia or Unexplained Wealth Order to give greater costs protection for law enforcement bodies and close crucial gaps - reforms that have been largely accepted by the government.

Our work on the UK's golden visa regime generated considerable ongoing media interest and put the regime back in the public eye. Meanwhile our high profile legal letter to the government procurement body calling for one of the Big 4 accounting firms, EY, to be debarred in light of recent judicial criticisms relating to its treatment of a whistleblower raising money laundering concerns, led to real debate about the use of debarment to improve corporate governance. Our recommendations on what the UK's debarment regime should look like post-Brexit have been largely accepted by the government.

Tackling corruption at home

While Spotlight on Corruption originally grew out of work that focused on the UK's role as a global money laundering hub that enables and exacerbates corruption in other countries, the COVID pandemic has raised serious questions about the strength of the UK's frameworks for upholding standards of integrity at home. Increasingly, it has been difficult for the UK to take a credible leadership role in fighting corruption on the global stage, or to have legitimacy when talking about tackling corruption, as sleaze scandals have become a frequent occurrence within the UK itself. As a result, Spotlight on Corruption expanded its work during 2020/21 to also include a focus on ensuring that the highest standards of ethical conduct are upheld by those in power in the UK.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Our work looking at whether the UK should have an independent Ethics Commission gained considerable traction. Our investigations and commentary on integrity issues including the Greensill scandal and ongoing sleaze scandals meanwhile have been featured prominently in the media, from an opinion piece in the Metro, and interviews on Talk Radio, Panorama and BBC News. Our goal is to promote reforms that protect integrity in public life and make the case for why doing so will help to tackle corruption at home and protect Britain's democracy at home and reputation abroad.

Looking forward

The fight against corruption both at home and abroad remains as important as ever. Sleaze scandals at home have raised intense public debate about how corrupt the UK is, and what should be done about it. Internationally meanwhile a new US presidency put the fight against corruption front and centre of US foreign policy creating new opportunities for promoting anti-corruption reforms, including through the US-led Summit for Democracy.

Post-Brexit the UK is still finding its way in the world and working out what this means for its leadership of global anti-corruption initiatives and for clamping down on dirty money coming into the UK's financial system. Positive developments such as the introduction of a global anti-corruption sanctions regime have been welcome, although they have got off to a slow start. The extent to which the UK will seek a light-touch, open door financial regulation model, which could exacerbate its role as a dirty money hub, has yet to become clear. The government engaged throughout the year in a raft of public consultations on post-Brexit rules on everything from money laundering to the regulatory framework the results of which will only become clearer over the next year or so.

There is much to be done and the role of independent charities, such as Spotlight, in providing evidence based, impartial expertise on how to tackle corruption in order to prevent inequality and poverty and to protect democracy remains a vital part of the fight.

Lloydette Bai-Marrow
Chair

Susan Hawley
Executive Director

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Reference and administrative details

Registered charity name Spotlight on Corruption Ltd

Charity registration number 1185872

Company registration number 12123483

Principal office and registered office One New Street
Wells
Somerset
BA5 2LA

Bank Triodos Bank,
Deanery Road,
Bristol, BS1 5AS

The trustees

Ms E Anderson	
Ms L Bai-Marrow	(Appointed 28 January 2022)
Mr A Brown	(Appointed 28 January 2022)
Mr O Bullough	(Resigned 30 September 2021)
Mr J Date	(Appointed 28 January 2022)
Prof E David-Barrett (Chair)	(Resigned 25 April 2022)
Mr S Eastwood	(Appointed 28 January 2022)
Mr J Kaye (Treasurer)	

Senior Management Team

Dr Susan Hawley (Executive Director)
Mr George Havenhand

Independent examiner Barry Davidson FCCA, FCA
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Vision, mission, objectives and activities

Our Vision

Our vision is for a society where strong, transparent, and accountable institutions ensure that corruption is not tolerated.

Our Mission

Our mission is to end impunity for corruption within the UK and wherever the UK has influence through an emphasis on legal systems that work and effective enforcement of the law.

Our Charitable Objectives

The objects of the charity are, for the public benefit:

- To prevent and relieve poverty in any part of the world caused directly or indirectly by corruption;
- To foster compliance with the law and production of ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies;
- To promote the sound administration of the law in the field of anti-corruption;

Including (without limitation) by

- The promotion and understanding of measures to reduce and eliminate corruption
- The giving to legislative and public bodies and others, information and advice and assistance in relation to the reduction and elimination of corruption and effective means to achieve this; and
- The promotion, undertaking or commissioning of research concerning effective means to ensure compliance with the law to promote ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies

Our Work

Our work seeks to address the role corruption plays as a root cause in driving global poverty, impeding development, and undermining democracy, institutions and good governance.

Our work involves:

- Tracking the implementation and enforcement of the UK's anti-corruption laws to ensure that they are deterring and preventing corruption.
- Undertaking detailed, evidence-based and impactful research on the implementation and enforcement of the UK's anti-corruption laws, looking for ways in which they can be improved.
- Exploring the role that strategic litigation can play in improving anti-corruption enforcement outcomes.

Our work broadly falls into two work streams: ensuring effective implementation of the UK's anti-corruption laws and promoting the implementation of high anti-corruption and ethical standards.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

1. Effective implementation of laws

Our work on effective implementation has two strands - ensuring the laws themselves are fit for purpose and ensuring they are properly enforced.

1.1 The UK's legal and regulatory framework for fighting corruption needs to be fit for purpose

While the UK is generally regarded as having strong anti-corruption laws, in some areas it remains weak. One of the weakest areas is how the UK's anti-corruption laws apply to large corporations. Prosecutors have long flagged that the underlying rules for applying the UK's criminal law to corporate bodies are unfair, unjust and lead to perverse outcomes, including lowering standards of corporate governance. While these rules have been partially addressed through new 'failure to prevent' offences in bribery and tax evasion, they have not been addressed in relation to other economic crimes such as fraud and money laundering which are intricately connected to corruption.

Other areas of ongoing weakness include laws to address corruption domestically through the offence of misconduct in public office. The law in this area has been highlighted as seriously inadequate by the judiciary for some time and the Law Commission has recently made detailed recommendations for a new corruption in public office offence - recommendations which have yet to be addressed by the government.

Furthermore, even where new laws are introduced it is often only through implementation that gaps and loopholes become fully apparent. Implementation of new 'McMafia' orders such as the Unexplained Wealth Order has exposed serious weaknesses in the law and raised concern around whether reasonable law enforcement efforts to recover the proceeds of corruption through civil means incur too great a cost to incentivise proactive enforcement.

Under this strand of work, Spotlight undertook the following activities in the period:

1. Corporate liability reform.

At the start of the financial year, the Law Commission announced a major review of the UK's corporate liability rules. This was a significant achievement for Spotlight, given our sustained and targeted work in this area, as there had been concern that reform would be dropped altogether. Spotlight gave extensive media comment on the review including putting out analysis of the announcement through a blog.

We then provided expert evidence to parliamentarians on the issue of corporate liability in the context of the Financial Services Bill in Parliament. This included:

- Providing written and oral evidence to the Bill Committee.
- Providing an expert background briefing to parliamentarians across both Houses and all parties on issues arising with current corporate liability rules.

Spotlight provided expert briefings to parliamentarians who put down an amendment for urgent reform to the rules which resulted in significant engagement from government on the issue.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Throughout the year we engaged closely with the Law Commission review, including presenting expert evidence as part of the Law Commission's consultation roundtables, collaborating closely with other civil society and academic experts on our submission, and providing expert evidence to the Law Commission's consultation itself.

During the year, further evidence about another related weakness in UK rules relating to how senior executives can be held to account emerged with the collapse of a major fraud trial against executives - in response to which we provided expert commentary to the media. This has followed a string of acquittals of senior executives in the context of Deferred Prosecution Agreements. We highlighted potential policy solutions to this issue in our submission to the Law Commission, and have given public commentary as well.

2. Misconduct in Public Office

During the year, we developed an internal database of the kinds of cases in the public domain that have been prosecuted under this offence, and raised the importance of taking on board the Law Commission's recommendations with government in meetings and through our advocacy work. We met with officials at the Law Commission to discuss the offence, together with the UK Anti-Corruption Coalition.

3. Gaps in the Criminal Finances Act

We provided expert evidence to Parliament's Treasury Select Committee about ongoing issues with the gaps in the Unexplained Wealth Order regime, exposed by the collapse of a National Crime Agency case in April 2020, and the need for better costs protection for law enforcement. Our analysis of these gaps gained increasing traction and has been picked up by academics and think tanks in their analysis of Unexplained Wealth Orders, as well as the media.

Impact

Our expert evidence to Parliamentarians on corporate liability rules has resulted in strong cross-party support for reform. Our strong expertise and close work with law enforcement bodies on this issue also helped inform civil society engagement with the Law Commission. Our work on reforms needed to the Unexplained Wealth Order regime meanwhile gained increasing traction with experts, think tanks and policy makers.

1.2 The UK's anti-corruption laws are effectively and transparently enforced

1. Court monitoring

Spotlight on Corruption reviews court lists on a daily basis to look for relevant corruption and corruption related cases. We have developed a significant internal database of court documents and monitoring notes relating to these cases. It is our goal to turn this into a public database to provide an accessible resource for everyone on corruption cases in the UK courts. Owing to capacity constraints we primarily focus on corruption linked to overseas jurisdictions and of particular seriousness.

During 2020/21 Spotlight launched three new substantial case studies bringing together court documents with a detailed overview of each case on our website as part of our development of the corruption case database. These cases included the Mozambique Tuna Bond scandal involving Credit Suisse, the case of Nigerian governor, James Ibori, and the activities of Process & Industrial Developments in Nigeria. They provide an invaluable public resource for lawyers, policy makers, and ordinary citizens in the UK and affected countries on developments in these cases.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

We also closely monitored two key foreign bribery cases, Unaoil and GPT. The Unaoil case - involving a small company that acted as an intermediary for major oil and gas companies globally, and three of whose employees had been convicted in the UK - has had serious implications for the Serious Fraud Office and for global bribery enforcement more generally. The case has included allegations of abuse of power by the Director of the Serious Fraud Office, and allegations that US authorities effectively over-rode the UK's investigation and sought removal of a key prosecutor. Our work on this case included detailed blogs, including about the employment tribunal decision relating to the former Serious Fraud Office case controller which exposed fault lines in global anti-bribery cooperation, as well as commentary to the media.

The GPT case meanwhile, which is one of the Serious Fraud Office's longest running investigations, involves allegations of bribery by a subsidiary of a global aerospace giant - in its role as a contractor of the British government - in Saudi Arabia. The company pleaded guilty in April 2021, while the trial against individuals continues. The case raises serious issues about the role of government departments such as the Ministry of Defence in authorising bribery schemes, and the treatment of whistleblowers.

Other significant cases monitored in the period include, among others, the collapsed trial of Serco executives in a case brought by the Serious Fraud Office, the Mozambique 'Tuna Bonds' proceedings, the National Crime Agency's dirty money case against an Azeri couple, a case brought by the Republic of Nigeria against the National Crime Agency and others in relation to money looted by the Nigerian politician Sani Abacha, proceedings relating to the daughter of Uzbekistan's President, Gulnara Karimova, and the high profile case brought by the Kazakh mining firm, Eurasian Natural Resources Corporation, against the Serious Fraud Office and the law firm Dechert.

2. Analysis on enforcement

Spotlight produces detailed analysis through briefing and blogs about key developments in enforcement. During 2020/21 this included:

- An influential blog looking at law enforcement strategies of entering into settlements with suspects in civil recovery cases;
- A widely read briefing on the increasing use of Account Freezing Orders in dirty money cases
- A detailed briefing on the UK's golden visa regime, covered by the Times and by the Indian press, as a result of our court monitoring, where we found that several dirty money cases involved individuals that had been granted golden visas, and that half of all golden visas ever issued were being reviewed for national security risks.
- A blog about the supervision of lawyers and accountants by their oversight body in efforts to tackle the flow of dirty money.

Spotlight worked with RUSI to hold a high-level workshop on Economic Crime enforcement in September 2021, and started work on a longer piece of research about economic crime enforcement resourcing. This involved extensive submission of Freedom of Information requests and engagement with law enforcement agencies.

We also developed and published a COVID economic crime tracker on our website monitoring news items relating to economic crime trends in or relating to the UK arising from COVID. This tracker has been cited as a crucial tool for monitoring COVID related economic crime.

We continued to engage as a proactive member of the Civil Society Steering Group on Economic Crime with government officials on law enforcement resourcing and broader economic crime reform; and we submitted a response to the Treasury Committee's inquiry into Economic Crime.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

We published a blog about what the UK can learn from the US in transparency of COVID loan schemes, including enforcement outcomes. At the same time, we sought to obtain the names of all recipients of COVID loans in the UK using freedom of information laws and subsequently brought an appeal to the Information Commissioner.

3. Open justice

Spotlight strongly believes that open access to the courts and to court documents is essential for respect for the rule of law and for the deterrent effects of enforcement to be felt. During 2020/21 we worked closely with academic and civil society partners to promote a strong open justice commitment through the Open Government Partnership, building on the solid research foundations that we developed with leading experts on open justice. Our goal is a free public court database which provides records of all sentencing remarks and outcomes of cases, as well as relevant court documents. We continued to apply regularly to courts for release of documents and highlight in meetings with government and advocacy the serious limitations to open justice that result from the current way the courts operate in the UK.

Impact

Spotlight is a go-to organisation for analysis and expertise on corruption enforcement and corruption cases in the UK courts. Our analysis helps shape the public narrative as well as policy formulation within government.

2. Promoting the implementation of high anti-corruption and ethical standards

Robust anti-corruption and ethical standards are the bedrock of democracy and critical to public trust in government and other public bodies and institutions.

Spotlight worked during 2020/21 to ensure strong anti-corruption and ethical standards in three main areas: UK procurement; foreign policy with a particular focus on the new Global Anti-Corruption Sanctions regime; and integrity in public standards in the UK.

We also submitted responses to the significant number of government consultations on government policy that have arisen as a result of Brexit. These included: the Companies House consultation on 'Corporate Transparency and Register Reform'; the Treasury's consultation on the 'Future Regulatory Framework for Financial Services'; the Treasury Committee's inquiry into the 'Future of Financial Services'; the Department for Business, Energy and Industrial Strategy's consultation on 'Restoring Trust in Audit and Corporate Governance'.

2.1 Procurement

In October 2020, Spotlight's ED published a paper on debarment with the Centre for the Study of Corruption, which was picked up by one of the UK's most influential procurement academics and government advisors. The government's subsequent procurement Green Paper reflected significant parts of what we have asked for on debarment including a central database of debarred companies. Our briefing on the Green Paper, in addition, proposed several recommendations on how to resolve conflict of interest issues as the UK transitions from EU to WTO procurement rules. We worked closely with other NGOs to develop and submit a consultation response to the government's consultation on what post-Brexit procurement rules should look like.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Spotlight also worked with lawyers and the media to call for audit firm, EY, to be debarred from public contracts for a series of audit failure scandals including its treatment of a whistleblower in a money laundering case. Our letter to the government's procurement body, the Crown Commercial Service, in November 2020, was covered by the Guardian, City AM, Bloomberg and other media outlets and led to detailed legal engagement with the government. We also published a blog and detailed briefing paper about the accountability gap for audit firms. As a result of our sustained advocacy, EY was called in by procurement officials to explain how it had changed its corporate behaviour to the department. The government has subsequently used the threat of debarment against other audit firms where malpractice has been uncovered, leading one firm to voluntarily withdraw from bidding for public contracts.

We also published several detailed blogs and briefings on how conflicts of interest in procurement can be more effectively managed in light of procurement scandals during COVID. Additionally, we engaged closely with the Open Government Network to secure strong commitments on debarment and conflicts of interest in the UK's National Action Plan.

2.2 Foreign policy - corruption sanctions

Spotlight led and coordinated NGO engagement with and input into policy formulation for the corruption sanctions regime which was launched in April 2020. This included providing detailed policy recommendations to government about what the regime should look like. We also helped lead the UK Anti-Corruption Coalition's response to the announcement of the regime, including drafting press releases, a parliamentary submission and a written response to government.

Feedback from government has been that the NGO engagement on corruption sanctions genuinely helped inform how the regime was shaped, and is helping maintain political momentum for the use of the sanctions.

As a result of our work on corruption sanctions, we gave evidence to the European Parliament about the UK regime, with a view to persuading the EU to also include corruption in its sanctions regime.

3. Standards in public office

An endless rollercoaster of sleaze scandals during 2020/21 created what some have deemed to be a crisis of integrity in the UK's governance. Not only does this have serious impacts on trust at home in UK democracy, it also reduces the UK's ability to take a leadership role on fighting corruption internationally and undermines positive work on fighting corruption that the government undertakes.

Spotlight undertook extensive background research on methods for best advocating for reform to how ethical standards are regulated in the UK in a context where there is little high level political appetite for reform.

Spotlight's activities on advocating for stronger governance of standards in public office during the year included:

- Developing a statement on the Greensill affair, and the government-commissioned review of the affair including giving extensive media commentary on its implications
 - Providing expert evidence to the Committee on Standards in Public Life review and Public Administration and Constitutional Affairs Committee on Greensill
 - Commissioning a consultant to scope out a campaign on standards in public life, with an advisory group of academics and other NGOs.
 - Working to promote the idea of an independent Ethics Commission as a way for ensuring adequate scrutiny of ethical standards by those in public office.
 - Working with advisors to poll members of Parliament on their views on the regulation of standards.
-

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

- Submitting evidence to the Public Administration and Constitutional Affairs Committee's (PACAC) inquiry into the Cabinet Office Freedom of Information Clearing House; and PACAC's inquiry into the work of the Electoral Commission.
- Beginning work to develop an Integrity and Ethics Bill, in consultation with an expert working group, that would give the standards regulators more powers and independence.
- Our investigations and commentary featured prominently in the media, including the Guardian, Times, Independent, openDemocracy, an opinion piece in the Metro, and interviews on Talk Radio, Panorama and BBC News.

We also worked closely with civil society partners to get the government to co-create commitments on improving standards in public life under the Open Government Partnership.

Impact

Our analysis and research have genuinely shaped and informed government thinking on what procurement measures should look like, and how anti-corruption sanctions should be framed. Our work on standards in public life has helped keep up pressure for reform and kept the importance of independent standards regulation on the political agenda.

Achievements and impact

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by Spotlight on Corruption. The Trustees' observations on the key principles of public benefit are set out below.

The beneficiaries of our work are: victims of corruption in the UK and overseas, particularly those in countries affected by corruption caused or facilitated by UK actors; the UK public and the public in countries affected by corruption facilitated by UK actors; and all those who will benefit from high ethical standards of conduct and compliance with the law.

Stronger enforcement of UK anti-corruption laws and higher anti-corruption standards in UK foreign policy and export support benefits victims of corruption and the public of countries affected by corruption by leading to:

- greater transparency about the identity of corrupt actors and the nature of their corruption to enable greater accountability;
- increased confiscation of corrupt assets which can be returned to affected countries in a way that benefits those most affected by corruption;
- potential compensation through the courts in the event of conviction which can likewise be returned to affected countries; and
- strong social condemnation of and stronger procedures to prevent bribery and corruption.

Our work benefits the wider public in the UK by providing expert and insightful analysis about how anti-corruption laws are being enforced and anti-corruption standards maintained, including through our website, Twitter account and media engagement. Our work on improving integrity and anti-corruption measures in procurement benefits the public in the UK through providing solutions to how to improve public trust in government and in public contracting and ensure greater value for money in government spending.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Monitoring and Evaluation

We regularly review our work through reporting on implementation of our strategy to the Board, and providing reports to funders on how we have met the objectives for work that has been funded. In particular, we pay close attention to whether our work has contributed to public debate, informed policy making and delivered better outcomes.

Factors affecting achievement of objectives

Both the COVID pandemic and Brexit have affected our work in significant ways over the past year, bringing challenges and opportunities. COVID has made it difficult to attend court hearings in person, but has also resulted in a greater number of hearings being heard remotely which has facilitated access and opened up new opportunities for advocating for open justice. It has also delayed enforcement actions, resulted in longer delays before cases come to court and slowed down reform processes with the courts. Meanwhile, the combination of COVID and Brexit has resulted in the attention of policy-makers being distracted and important reforms requiring legislative reform being delayed. On the other hand, Brexit has created fresh thinking about new rules and policies for the UK outside of Europe, including new sanctions and procurement regimes.

Future plans

Spotlight's unique focus on enforcement is central to implementation of the UK's anti-corruption laws. We will be focusing in the coming year on whether enforcement bodies have the right resources and tools, not least in light of increasing pressures on law enforcement as a result of a fraud epidemic arising from COVID support schemes. This will include looking at whether there is adequate enforcement of the UK's sanctions regime.

We will also be focusing on whether the UK's money laundering regulatory framework is fit for purpose particularly with regard to the legal sector. A crucial government review into what the UK's post-Brexit money laundering regime should look like is due in 2022 and is a key opportunity to look at what is working and where the regulatory gaps are.

And we will be responding to the Law Commission's report on corporate liability reform which will help determine how big corporate bodies and their senior executives are held to account for economic crime in the UK. Raising corporate governance standards will also be determined by how the government implements new debarment provisions in its new Procurement Bill also due in the coming year and which we will be working with experts and civil society colleagues to respond to and monitor implementation.

In all of these we will be looking to bring our unique mix of expertise based on detailed research and strong engagement with experts and practitioners with strong advocacy to seek to strengthen the UK's response to corruption at home and abroad.

Financial review

In this our second financial year we are pleased to report that income totalled £252,948, all of which was unrestricted, giving Spotlight flexibility in spending decisions. Expenditure for the period under review totalled £175,074 and 100% went towards charitable activity. The Charity had a surplus for the period of £77,874.

During the period under review Spotlight moved to an accrual-based accounting practice, further details of which are provided in the notes.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

The principal funding sources for the charity were by way of unrestricted grants. We are extremely grateful to our funders during the period:

Cobalt Trust
The David and Elaine Potter Foundation
The Indigo Trust
Joffe Charitable Trust
John Ellerman Foundation
The Joseph Rowntree Charitable Trust
Luminate
Transparency International - UK (sub-grant on behalf of Open Society Foundation)

Further details of the grants are provided in Note 15.

Reserves policy

The Charity has reviewed its requirements for reserves from unrestricted income to be primarily for the following reasons: delays in funding or unforeseen terminations; cash flow variations. As a result of the review, Spotlight on Corruption's policy is to hold reserves equating to three months of operating costs. The levels held at the year-end are consistent with this.

Structure, governance and management

Spotlight on Corruption is a charitable company limited by guarantee incorporated on 26 July 2019 and registered as a charity on 18 October 2019. The company was established under a Memorandum of Articles of Association which established the company's objects and powers. In the event of the company being wound up each member is required to contribute an amount not exceeding £10.

Spotlight on Corruption is governed by a Board of Trustees, elected by the members or co-opted subject to election. The Trustees are also directors of the charity for the purposes of the Companies Act 2006. During the 2020-21 financial year, the Board had four Trustees, details of whom are given above. In early 2022, the Board added four new members, to address identified skill gaps. This was through a process of identifying potential candidates through taking soundings in the sector, and then reaching out and interviewing them to establish mutual fit. Following two resignations, there are now six Trustees. More information about current Board members is available via the link: www.spotlightcorruption.org/about-team/#BOARD.

The Board meets regularly to provide strategic guidance, discuss and agree policy issues, approve budgets and review progress in implementing programmes and towards agreed outcomes. The Board's decisions are implemented by the staff of the Charity, led by the Executive Director. Generally, the Board expects to hold three meetings a year - in September, late January and early July. The Board has established a Finance and Audit Committee, chaired by the Treasurer, which meets in advance of Board meetings, and on other occasions as appropriate.

Risk Management

The Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is reviewed at each Board meeting. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 30 September 2021

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report (incorporating the directors' report) was approved on21/6/22.....
and signed on behalf of the board of trustees by:



Mr J A Kaye
Trustee

Spotlight on Corruption Ltd

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Spotlight on Corruption Ltd

Year ended 30 September 2021

I report to the trustees on my examination of the financial statements of Spotlight on Corruption Ltd ('the charity') for the year ended 30 September 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Spotlight on Corruption Ltd

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Spotlight on Corruption Ltd (continued)

Year ended 30 September 2021

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Barry Davidson FCCA, FCA
Independent Examiner

One New Street
Wells
Somerset
BA5 2LA

Dated 29 June 2021

Spotlight on Corruption Ltd

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 September 2021

		Year to 30 Sep 21		Period from 26 Jul 19 to 30 Sep 20
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Grant income	5	<u>252,948</u>	<u>252,948</u>	<u>180,165</u>
Total income		<u>252,948</u>	<u>252,948</u>	<u>180,165</u>
Expenditure				
Expenditure on charitable activities	6,7	<u>175,074</u>	<u>175,074</u>	<u>125,592</u>
Total expenditure		<u>175,074</u>	<u>175,074</u>	<u>125,592</u>
Net income and net movement in funds		<u>77,874</u>	<u>77,874</u>	<u>54,573</u>
Reconciliation of funds				
Total funds brought forward		<u>54,573</u>	<u>54,573</u>	<u>-</u>
Total funds carried forward		<u>132,447</u>	<u>132,447</u>	<u>54,573</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 18 to 23 form part of these financial statements.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
Current assets			
Debtors	12	316	1,453
Cash at bank and in hand		<u>137,509</u>	<u>54,344</u>
		137,825	55,797
Creditors: amounts falling due within one year	13	<u>5,378</u>	<u>1,224</u>
Net current assets		<u>132,447</u>	<u>54,573</u>
Total assets less current liabilities		<u>132,447</u>	<u>54,573</u>
Net assets		<u>132,447</u>	<u>54,573</u>
Funds of the charity			
Unrestricted funds		<u>132,447</u>	<u>54,573</u>
Total charity funds	15	<u>132,447</u>	<u>54,573</u>

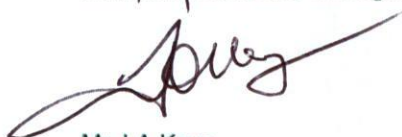
For the year ending 30 September 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 21/9/21, and are signed on behalf of the board by:



Mr J A Kaye
Trustee

The notes on pages 18 to 23 form part of these financial statements.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 September 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and a registered charity in England and Wales. The address of the registered office is One New Street, Wells, Somerset, BA5 2LA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in £ sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company. (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

- income from donations or grants is recognised when there is evidence of entitlement, receipt is probable, and the amount can be measured reliably

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Debtors

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

Cash at bank

Cash at bank and in hand includes all current accounts and cash in hand.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

3. Accounting policies *(continued)*

Creditors and provisions

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Spotlight on Corruption Ltd is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such an amount as may be required, not exceeding £10, to the assets of the charitable company in the event of its being wound up while he is a member, or within one year after he or she ceases to be a member.

5. Grant income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Grants				
Grants receivable	252,948	252,948	180,165	180,165

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Charitable activities	173,658	173,658	124,392	124,392
Support costs	1,416	1,416	1,200	1,200
	<u>175,074</u>	<u>175,074</u>	<u>125,592</u>	<u>125,592</u>

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

7. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Charitable activities	173,658	–	173,658	124,392
Governance costs	–	1,416	1,416	1,200
	<u>173,658</u>	<u>1,416</u>	<u>175,074</u>	<u>125,592</u>

8. Analysis of support costs

	Analysis of support costs activity 1	Total 2021	Total 2020
	£	£	£
General office	<u>1,416</u>	<u>1,416</u>	<u>1,200</u>

9. Independent examination fees

	Year to 30 Sep 21	Period from 26 Jul 19 to 30 Sep 20
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,416</u>	<u>1,200</u>

10. Staff costs

The average head count of employees during the year was 3 (2020: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of staff	<u>3</u>	<u>2</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £43,161 (2020:£43,168).

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

11. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred.

12. Debtors

	2021	2020
	£	£
Prepayments and accrued income	316	100
Other debtors	–	1,353
	<u>316</u>	<u>1,453</u>

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	2,362	1,200
Social security and other taxes	2,556	24
Other creditors	460	–
	<u>5,378</u>	<u>1,224</u>

14. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,594 (2020: £1,696).

15. Analysis of charitable funds

Unrestricted Funds

	Bfwd	Income	Expenditure	Cfwd
	£	£	£	£
Joffe Charitable Trust	–	45,000	(45,000)	–
OSF via TI UK	–	25,000	(3,000)	22,000
The Joseph Rowntree Charitable Trust	–	40,000	(40,000)	–
David and Elaine Potter Foundation	6,333	2,000	(8,333)	–
The Indigo Trust	8,333	15,000	(13,333)	10,000
Luminate - via TI UK	39,907	–	(20,000)	19,907
Luminate – direct funding	–	93,948	(25,908)	68,040
The Cobalt Trust	–	2,000	(2,000)	–
The John Ellerman Foundation	–	30,000	(17,500)	12,500
Total	<u>54,573</u>	<u>252,948</u>	<u>(175,074)</u>	<u>132,447</u>



Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2021

16. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Current assets	137,825	137,825
Creditors less than 1 year	(5,378)	(5,378)
Net assets	<u>132,447</u>	<u>132,447</u>

	Unrestricted Funds £	Total Funds 2020 £
Current assets	55,797	55,797
Creditors less than 1 year	(1,224)	(1,224)
Net assets	<u>54,573</u>	<u>54,573</u>

SPOTLIGHT ON CORRUPTION LTD

England & Wales - Charity number 1185872

Accounts



COMPANY REGISTRATION NUMBER: 12123483
CHARITY REGISTRATION NUMBER: 1185872

Spotlight on Corruption Ltd
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2020

Spotlight on Corruption Ltd

Company Limited by Guarantee

Financial Statements

Period from 26 July 2019 to 30 September 2020

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Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Period from 26 July 2019 to 30 September 2020

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the period ended 30 September 2020.

Introduction by the Chair and Executive Director

Welcome to Spotlight on Corruption's first ever Annual Report.

In the months since we set up Spotlight on Corruption as a new charity, we have established ourselves as a prominent and well-respected anti-corruption voice in the UK. Our policy recommendations and advocacy are influencing reforms across a range of important issues. Our analysis of whether the laws are working and how well the UK is fighting corruption are widely quoted in the media. And our leadership within the anti-corruption movement, including through chairing the UK Anti-Corruption Coalition, has led to extensive engagement between civil society, government and law enforcement on how the UK could and should be doing better.

Spotlight on Corruption's primary focus is on how laws are being enforced and ways in which they can be improved. There is increasing recognition that good laws are not enough. They need to be proactively enforced and updated when weaknesses emerge, and the individuals and agencies that enforce the law need to be properly resourced and have the right skills and expertise.

Spotlight on Corruption is becoming the go-to organisation for information on how well the UK is implementing and enforcing its anti-corruption laws. We monitor court hearings, track down the court documents, investigate the background, interview law enforcement officials and talk to experts. We analyse the information and come up with policy solutions to make things work better.

Brexit and COVID have had significant implications for our work over the past year. New corruption risks have emerged and have underlined the need for a holistic approach to tackling corruption. The role of the UK as a major financial centre in facilitating global corruption affects the UK's ability to tackle domestic corruption too.

Brexit has created real debates about what kind of role the UK wants to play in the world. Global Britain could be a force for good. But there are risks that it will become a magnet for even more unregulated illicit flows while engaging in trade deals with ever more corrupt and authoritarian regimes.

Meanwhile, COVID has tested the frameworks that prevent corruption in the UK, from the rule of law to checks on how public money is spent. The perception that anti-corruption and ethical standards in the UK are slipping may not only sully the UK's international reputation and status as a safe place to do business, but also give succour to those who seek to benefit from a race to the bottom on standards.

The fight against corruption both at home and abroad has never been more important.

Professor Liz David-Barrett
Chair

Susan Hawley
Executive Director

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

Reference and administrative details

Registered charity name Spotlight on Corruption Ltd

Charity registration number 1185872

Company registration number 12123483

Principal office and registered office One New Street
Wells
Somerset
BA5 2LA

Bank Triodos Bank, Deanery Road, Bristol, BS1 5AS

The trustees

Prof E David-Barrett	(Appointed 26 July 2019)
Dr S J Wykes	(26 July 2019 to 27 Nov 2020)
Mr O Bullough	(Appointed 26 July 2019)
Ms J P Smith	(26 July 2019 to 11 Nov 2020)
Ms E Anderson	(Appointed 21 October 2019)
Mr J A Kaye	(Appointed 21 October 2019)

Senior Management Team Executive Director Dr Susan Hawley

Independent examiner Barry Davidson FCCA, FCA
Webb & Co Ltd
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

Vision, mission, objectives and activities

Our Vision

Our vision is for a society where strong, transparent, and accountable institutions ensure that corruption is not tolerated.

Our Mission

Our mission is to end corruption within the UK and wherever the UK has influence through an emphasis on legal systems that work and effective enforcement of the law.

Our Charitable Objectives

The objects of the charity are, for the public benefit:

- To prevent and relieve poverty in any part of the world caused directly or indirectly by corruption;
- To foster compliance with the law and production of ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies;
- To promote the sound administration of the law in the field of anti-corruption;

Including (without limitation) by

- o The promotion and undertaking of measures to reduce and eliminate corruption
- o The giving to legislative and public bodies and others, information and advice and assistance in relation to the reduction and elimination of corruption and effective means to achieve this; and
- o The promotion, undertaking or commissioning of research concerning effective means to ensure compliance with the law to promote ethical standards of conduct by governmental, industrial, commercial, voluntary sector and professional bodies

Our Work

Our work seeks to address the role corruption plays as a root cause in driving global poverty, impeding development, and undermining democracy, institutions and good governance.

Our work involves:

- Tracking the implementation and enforcement of the UK's anti-corruption laws to ensure that they are deterring and preventing corruption.
- Undertaking detailed, evidence-based and impactful research on the implementation and enforcement of the UK's anti-corruption laws, looking for ways in which they can be improved.
- Investigating and publicising cases of corruption where there are strong grounds for supposing that the UK's anti-corruption laws have been broken.
- Exploring the role that strategic litigation can play in improving anti-corruption enforcement outcomes.

Our work broadly falls into two activity streams: ensuring effective implementation of the UK's anti-corruption laws and promoting the implementation of high anti-corruption and ethical standards.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

Ensuring effective implementation of the UK's anti-corruption laws

Our objectives for this work stream are that:

- The lessons and implications arising from corruption enforcement and prosecution are fully documented, analysed, publicised and learned;
- Government and law enforcement take steps to address gaps and weaknesses in anti-corruption laws;
- Law enforcement bodies are properly resourced and able to recruit and retain expertise in fighting corruption; and
- UK courts become more open and transparent, with access to courts, listings and relevant court documents made simpler and easier.

Spotlight on Corruption is the only charity to consistently monitor corruption cases in the UK courts - involving bribery, fraud, money laundering and other financial crimes - and enforcement of the law. Our programme of monitoring cases helps us to track whether the laws are being enforced, how emerging case law affects their implementation, and to understand how effectively corruption is being detected, penalised and deterred.

Over the past year we have trawled court listings, attended court hearings, engaged with the legal teams and law enforcement experts, tracked down court documents, and investigated the factual and legal circumstances behind cases.

Our work has included monitoring and analysis of:

- The emerging use of Deferred Prosecution Agreements (DPA), leading to us providing along with NGO colleagues a letter to the Serious Fraud Office following the Airbus DPA, which was widely covered in the press¹ as well as an expert opinion piece and article with academics of why DPAs are not working as they should and how to improve the regime.²
- The introduction of new investigative tools such as Unexplained Wealth Orders and Account Freezing Orders to tackle dirty money,³ including appearances on Times Radio and BBC London News to discuss the implications of recent rulings.
- The use of settlements by the National Crime Agency (NCA) in dirty money cases, and how money is being returned to countries as a result, including a letter with NGO colleagues to the NCA which resulted in extensive engagement with law enforcement officials.

¹ Spotlight on Corruption, *Civil society groups letter to the Director of the SFO on implications of the Airbus Deferred Prosecution Agreement*, 18 February 2020, <https://www.spotlightcorruption.org/dpa-letter/>; *City AM*, "Corruption campaigners say Airbus' €3.6bn fine many not reflect the full wrongdoing in bribery case", <https://www.cityam.com/corruption-campaigners-say-airbus-e3-6bn-fine-may-not-reflect-the-full-wrongdoing-in-bribery-case/>

² *Law Gazette*, *Where next for Deferred Prosecution Agreements?* 16th January 2020, <https://www.lawgazette.co.uk/commentary-and-opinion/where-next-for-deferred-prosecution-agreements/5102733.article>

³ Spotlight on Corruption, *The NCA's Kazakh Unexplained Wealth order: a costly decision?* 1 July 2020, <https://www.spotlightcorruption.org/the-ncas-kazakh-unexplained-wealth-order-uwo-a-costly-decision/>; *The Times*, "£1.5 million legal bill forces rethink over McMafia wealth orders", 13 July 2020.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

- Two major bribery trials, involving transport multinational Alstom,⁴ and oil services intermediary Unaoil,⁵ which established significant case law on corruption in the courts and unveiled how bribery cases are being investigated and prosecuted.
- The collapse of the only ever criminal prosecution of a bank, Barclays, which had far-reaching consequences for whether large companies and financial institutions can be prosecuted for economic crime.
- The application of open justice in corruption and economic crime cases.⁶

This monitoring, evidence-gathering and analysis has fed into our submissions and policy recommendations to Parliamentary committees and to the evidence-based blogs and briefings on our website. And it has led to us providing - and regularly being invited to provide - expert commentary to the press.

We have also been gathering information on significant cases that have had an impact on the enforcement of economic crime in the UK, and creating case overviews which include all the available court documents. These case overviews are a unique resource for people in countries affected by these cases as well as legal experts and corruption specialists both in the UK and globally.

Spotlight on Corruption spends around 60% of its time and resources monitoring court cases and producing analysis of these cases.

Promoting the implementation of high anti-corruption and ethical standards

Our objectives in this area of work are that:

- Robust anti-corruption measures are maintained by bodies that promote UK exports abroad to ensure UK businesses do not engage in bribery or form business relationships with corrupt actors;
- The UK adopts robust measures to exclude corrupt actors from public contracts, including where they have engaged in misconduct that falls short of conviction, and tackle conflicts of interest in procurement;
- The new corruption sanctions regime to be introduced by the government is as broad and effective as possible and will be strongly enforced so that corrupt actors are denied visas and cannot use the UK as a haven for corrupt assets; and
- High standards in public life are maintained and the institutions that regulate standards are given greater power and more teeth to enforce these standards.

Robust anti-corruption and ethical standards are the bedrock of democracy and critical to public trust in government and other public bodies and institutions. Spotlight on Corruption has worked to promote high anti-corruption standards in the following areas:

⁴ Spotlight on Corruption, *Are the UK courts fit for purpose for fighting overseas corruption?* January 2020, <https://www.spotlightcorruption.org/are-the-uk-courts-fit-for-purpose-for-fighting-overseas-corruption/>

⁵ Spotlight on Corruption, *Unaoil: a very complicated win for the Serious Fraud Office*, 13 July 2020, <https://www.spotlightcorruption.org/unaoil-a-very-complicated-win-for-the-serious-fraud-office/>

⁶ Dr Judith Townend for Spotlight on Corruption, *Towards a commitment on open justice data in the United Kingdom*, October 2019, <https://www.spotlightcorruption.org/towards-a-national-commitment-on-open-justice-data-in-the-united-kingdom/>

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

- **Government support for UK exporters, to prevent assistance being provided to companies that bribe and projects involving corrupt actors in other jurisdictions.** We published a landmark report⁷ into the anti-corruption policies and procedures of UK Export Finance uncovering chronic failures in how the department supports UK business overseas and mitigates corruption risks. We also made a submission to Parliament about these issues and have been invited to give evidence.
- **Public procurement in the UK, in particular to ensure that public contracts are protected from corrupt actors and conflicts of interest.** We have published academic work, and a blog on how the UK's procurement regime could better tackle corruption through an effective debarment regime and more robust measures to tackle conflicts of interest.⁸ We are also exploring strategic litigation in respect of organisations being excluded from public contracts as a result of serious audit failure.
- **UK foreign policy, and in particular, the new post-Brexit Sanctions regime.** We engaged closely with UK government officials, providing anti-corruption expertise to inform their development of a corruption sanctions regime, and coordinating a group of civil society organisations in this dialogue with government.

Spotlight on Corruption spends around 40% of its time and resources doing research and publishing analysis on the implementation of high anti-corruption and ethical standards in government and other public bodies and institutions.

Achievements and impact

Over the past months, Spotlight on Corruption has achieved significant progress and outcomes against our objectives.

Ensuring effective implementation of the UK's anti-corruption laws

Our key achievements in this area included that we:

1. Contributed to the NCA producing a new policy on recovering corrupt assets, transparency in court cases and the use of settlements, and to a cross-departmental government review of its asset recovery strategy and how assets can be returned to affected countries.
2. Helped prompt an internal review by the National Economic Crime Centre on high-end money laundering prosecution in the UK through our commentary on the FinCEN files.
3. Generated significant Parliamentary engagement on the need for reform to the current rules for prosecuting large companies leading to engagement with ministers.
4. Prevented political interference in a long-running bribery prosecution through extensive engagement with a whistleblower, government, Parliament, the media and law enforcement which helped ensure that the case has come to court.
5. Informed public debate about implications of recent court rulings on the future of the new Unexplained Wealth Order regime.

⁷ Spotlight on Corruption, *Weak Link or First Line of Defence? The role of UK Export Finance in fighting corruption in a post-coronavirus and post-Brexit trade drive*, 6 July 2020, <https://www.spotlightcorruption.org/uk-export-finance-report/>

⁸ Susan Hawley, *What makes a good debarment regime? Keeping corrupt and fraudulent companies out of public procurement*, Working Paper No. 7, Centre for the Study of Corruption, University of Sussex, September 2020, <https://www.sussex.ac.uk/research/centres/centre-for-study-of-corruption/documents/csc-wp-series-hawley-what-makes-a-good-debarment-regime-sept-2020.pdf>

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

6. Contributed to the government developing a strong commitment to explore reforms to enhance open justice, and robust open justice recommendations being made by Parliament.

Promoting the implementation of high anti-corruption and ethical standards

Our key achievements included in this area included that we:

1. Prompted a review by UK Export Finance of its anti-corruption procedures, with a significant number of our recommendations for improvement being adopted.
2. Directly influenced the government thinking on procurement reform and in particular the scope for a new more effective exclusion regime for corrupt actors in post-Brexit rules and a central debarment register.
3. Directly influenced one minister to take steps to address conflicts by creating a blind trust, generating significant public debate around the use of blind trusts by politicians through our work on how conflicts of interest arise.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in determining the activities undertaken by Spotlight on Corruption. The Trustees' observations on the key principles of public benefit are set out below.

The likely beneficiaries of our work are the victims of corruption in the UK and overseas, particularly in countries affected by corruption caused or facilitated by UK-influenced corruption; the UK public and the public in countries affected by corruption facilitated by UK-influenced corruption; and all those who will benefit from high ethical standards of conduct and compliance with the law.

Stronger enforcement of UK anti-corruption laws and higher anti-corruption standards in UK foreign policy and export support benefits victims of corruption and the public of countries affected by corruption through:

- greater transparency about the identity of corrupt actors and the nature of their corruption to enable greater accountability;
- increased confiscation of corrupt assets which can be returned to affected countries through development projects;
- potential compensation through the courts in the event of conviction which can likewise be returned to affected countries; and
- strong social condemnation of and stronger procedures to prevent bribery and corruption.

Our work benefits the wider public in the UK by providing expert and insightful analysis about how anti-corruption laws are being enforced and anti-corruption standards maintained, including through our website and social media engagement. Our work on improving integrity and anti-corruption measures in procurement benefits the public in the UK through providing solutions to how to improve public trust in government and in public contracting and ensure greater value for money in government spending.

Monitoring and Evaluation

As a new charity, Spotlight on Corruption is developing performance indicators for its work that will enable it to evaluate and benchmark its performance. We regularly review our work through reporting on implementation of our strategy internally, and providing reports to funders on how we have met the objectives for work that has been funded. In particular, we pay close attention to whether our work has contributed to public debate, informed policy making and delivered better outcomes.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

Factors affecting achievement of objectives

Both the COVID pandemic and Brexit have affected our work in significant ways, bringing challenges and opportunities. COVID has made it difficult to attend court hearings in person, but has also resulted in a greater number of hearings being heard remotely which has facilitated access and opened up new opportunities for advocating for open justice. It has also delayed enforcement actions, resulted in longer delays before cases come to court and slowed down reform processes with the courts. Meanwhile, the combination of COVID and Brexit has resulted in the attention of policy-makers being distracted and important reforms requiring legislative reform being delayed. On the other hand, Brexit has created fresh thinking about new rules and policies for the UK outside of Europe, including new sanctions and procurement regimes.

Future plans

Over the next year, our work will include:

- continued monitoring of the implementation and enforcement of UK anti-corruption laws. This will include launching a database of corruption cases in the UK courts, and monitoring a major bribery case involving government-backed defence contracts involving Airbus subsidiary, GPT, to look at the implications where government departments have signed off on such contracts;
- engaging closely with an upcoming government review of how effective the UK's Money Laundering Regulations have been, and how to reform the supervision of money laundering rules in the UK which is currently hopelessly fragmented and riven with conflicts of interest;
- tracking the roll out of the new corruption sanctions regime to be launched in the spring of 2021, to make sure that there is effective enforcement of the regime and that the regime is ambitious in how it targets corrupt actors;
- contributing towards an effective debarment regime and more robust management of conflicts of interest regime in UK public contracts by tracking the implementation of new post-Brexit procurement rules; and
- promoting the implementation of higher ethical standards in political office in the UK through advocating for stronger regulators of these standards, with greater independence and more robust enforcement powers to make sure the UK gets its own house in order.

Financial review

In our first financial period, we were delighted that income totalled £180,165 and that all of this was unrestricted, giving the Charity flexibility in spending decisions.

Expenditure for the period under review totalled £125,592, of which 100% went towards charitable activity. The Charity had a surplus for the period of £54,573, representing the balance on multi-year unrestricted grants that could be used in the following year.

The principal funding sources for the charity were by way of unrestricted grants. We are extremely grateful to our funders during the period who were (in chronological order):

Joffe Charitable Trust
Transparency International - UK (sub-grant on behalf of Open Society Policy Center)
Joseph Rowntree Charitable Trust
Transparency International - UK (sub-grant on behalf of Luminate)
The Indigo Trust
The David and Elaine Potter Foundation

Further details of the grants are provided in Note 17.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Period from 26 July 2019 to 30 September 2020

Reserves policy

The Charity has reviewed its requirements for reserves from unrestricted income to be primarily for the following reasons: delays in funding or unforeseen terminations; cash flow variations. As a result of the review, Spotlight on Corruption will seek to build reserves to equate to three months of operating costs over a period of two years (i.e. by October 2022).

Structure, governance and management

Spotlight on Corruption is a charitable company limited by guarantee incorporated on 26 July 2019 and registered as a charity on 18 October 2019. The company was established under a Memorandum of Articles of Association which established the company's objects and powers. In the event of the company being wound up each member is required to contribute an amount not exceeding £10.

Spotlight on Corruption is governed by a Board of Trustees, elected by the members or co-opted subject to election. The Trustees are also directors of the charity for the purposes of the Companies Act 2006. During the period under review, the Board has had four Trustees, details of whom are given above, with more information available via the link www.spotlightcorruption.org/about-team/#board. The Board is considering increasing this to five or six, to address identified skill gaps. This would be through a process of identifying potential candidates through taking soundings in the sector, and then reaching out and interviewing them to establish mutual fit.

The Board meets regularly to provide strategic guidance, discuss and agree policy issues, approve budgets and review progress in implementing programmes and towards agreed outcomes. The Board's decisions are implemented by the staff of the Charity, led by the Executive Director. Generally, the Board expects to hold three meetings a year - in September, late January and early July. During the extended period under review, the Board held four meetings. The Board has established a Finance and Audit Committee, chaired by the Treasurer, which meets in advance of Board meetings, and on other occasions as appropriate.

Risk Management

The Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is reviewed at each Board meeting. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 21 April 2021 and signed on behalf of the board of trustees by:



Prof E David-Barrett
Trustee



Mr J A Kaye
Trustee

Spotlight on Corruption Ltd

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Spotlight on Corruption Ltd

Period from 26 July 2019 to 30 September 2020

I report to the trustees on my examination of the financial statements of Spotlight on Corruption Ltd ('the charity') for the period ended 30 September 2020.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

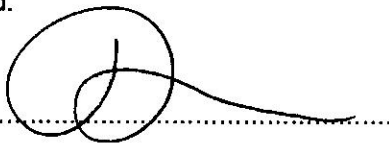
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Dated..... 22 April 2021

Barry Davidson FCCA, FCA
Independent Examiner
Webb & Co Ltd
One New Street
Wells
Somerset
BA5 2LA

Spotlight on Corruption Ltd

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

Period from 26 July 2019 to 30 September 2020

		Period from 26 Jul 19 to 30 Sep 20	
	Note	Unrestricted funds £	Total funds £
Income and endowments			
Grant income	5	180,165	180,165
Total income		<u>180,165</u>	<u>180,165</u>
Expenditure			
Expenditure on charitable activities	6,7	125,592	125,592
Total expenditure		<u>125,592</u>	<u>125,592</u>
Net income and net movement in funds		<u>54,573</u>	<u>54,573</u>
Reconciliation of funds			
Total funds brought forward		—	—
Total funds carried forward		<u>54,573</u>	<u>54,573</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 14 to 19 form part of these financial statements.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Statement of Financial Position

30 September 2020

	Note	30 Sep 20 £
Current assets		
Debtors	12	1,453
Cash at bank and in hand		54,344
		<u>55,797</u>
Creditors: amounts falling due within one year	13	<u>1,224</u>
Net current assets		<u>54,573</u>
Total assets less current liabilities		<u>54,573</u>
Net assets		<u>54,573</u>
Funds of the charity		
Unrestricted funds		<u>54,573</u>
Total charity funds	15	<u>54,573</u>

For the period ending 30 September 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

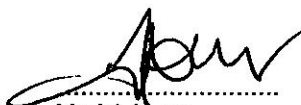
- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 21 Aug 2021, and are signed on behalf of the board by:



Prof E David-Barrett
Trustee



Mr J A Kaye
Trustee

The notes on pages 14 to 19 form part of these financial statements.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Period from 26 July 2019 to 30 September 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and a registered charity in England and Wales. The address of the registered office is One New Street, Wells, Somerset, BA5 2LA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The financial statements are prepared in £ sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company.
(b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 26 July 2019 to 30 September 2020

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

- income from donations or grants is recognised when there is evidence of entitlement, receipt is probable, and the amount can be measured reliably.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Debtors

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

Cash at bank

Cash at bank and in hand includes all current accounts and cash in hand.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 26 July 2019 to 30 September 2020

3. Accounting policies *(continued)*

Creditors and provisions

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Spotlight on Corruption Ltd is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such an amount as may be required, not exceeding £10, to the assets of the charitable company in the event of its being wound up while he is a member, or within one year after he or she ceases to be a member.

5. Grant income

	Unrestricted Funds £	Total Funds 2020 £
Grants		
Grants receivable	180,165	180,165

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £
Charitable activities	124,392	124,392
Support costs	1,200	1,200
	<u>125,592</u>	<u>125,592</u>

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 26 July 2019 to 30 September 2020

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £
Charitable activities	124,390	–	124,390
Governance costs	–	1,200	1,200
	<u>124,390</u>	<u>1,200</u>	<u>125,592</u>

8. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2020 £
General office	<u>1,200</u>	<u>1,200</u>

9. Independent examination fees

	Period from 26 Jul 19 to 30 Sep 20 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,200</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Period from 26 Jul 19 to 30 Sep 20 £
Wages and salaries	68,466
Social security costs	136
Employer contributions to pension plans	1,696
	<u>70,298</u>

The average head count of employees during the period was 2. The average number of full-time equivalent employees during the period is analysed as follows:

	30 Sep 20 No.
Number of staff	<u>2</u>

No employee received employee benefits of more than £60,000 during the period.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 26 July 2019 to 30 September 2020

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £43,168.

11. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred.

12. Debtors

	30 Sep 20
	£
Prepayments and accrued income	100
Other debtors	1,353
	<u>1,453</u>

13. Creditors: amounts falling due within one year

	30 Sep 20
	£
Accruals and deferred income	1,200
Social security and other taxes	24
	<u>1,224</u>

14. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,696.

15. Analysis of charitable funds

Unrestricted Funds

	Bfwd	Income	Expenditure	Cfwd
	£	£	£	£
Joffe Charitable Trust	–	30,000	(30,000)	–
OSF via TI UK	–	6,852	(6,852)	–
The Joseph Rowntree Charitable Trust	–	40,000	(40,000)	–
David and Elaine Potter Foundation	–	18,000	(11,667)	6,333
The Indigo Trust	–	25,000	(16,667)	8,333
Luminate - via TI UK	–	60,313	(20,406)	39,907
Total	<u>–</u>	<u>180,165</u>	<u>(125,592)</u>	<u>54,573</u>

Spotlight on Corruption Ltd

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 26 July 2019 to 30 September 2020

16. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2020 £
Current assets	55,797	55,797
Creditors less than 1 year	(1,224)	(1,224)
Net assets	<u>54,573</u>	<u>54,573</u>

Spotlight on Corruption Ltd

Company Limited by Guarantee

Management Information

Period from 26 July 2019 to 30 September 2020

The following pages do not form part of the financial statements.

Spotlight on Corruption Ltd

Company Limited by Guarantee

Detailed Statement of Financial Activities

Period from 26 July 2019 to 30 September 2020

	Period from 26 Jul 19 to 30 Sep 20 £
Income and endowments	
Grant income	
Grants receivable	180,165
	<u>180,165</u>
Total income	<u>180,165</u>
Expenditure	
Expenditure on charitable activities	
Wages and salaries	68,466
Employer's NIC	136
Pension costs	1,696
Insurance	553
Consultancy	39,180
Other motor/travel costs	1,550
Legal and professional fees	6,552
Telephone, computer and website costs	6,350
Other office costs	1,050
Other interest payable and similar charges	59
	<u>125,592</u>
Total expenditure	<u>125,592</u>
Net income	<u>54,573</u>