

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.

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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

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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

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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.

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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.

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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.

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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.

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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.

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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.
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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.

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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.

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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.

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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 on 21/6/22 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).

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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 2022

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	252,948	252,948	180,165
Total income		<u>252,948</u>	<u>252,948</u>	<u>180,165</u>
Expenditure				
Expenditure on charitable activities	6,7	175,074	175,074	125,592
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		54,573	54,573	–
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		137,509	54,344
		137,825	55,797
Creditors: amounts falling due within one year	13	5,378	1,224
Net current assets		132,447	54,573
Total assets less current liabilities		132,447	54,573
Net assets		132,447	54,573
Funds of the charity			
Unrestricted funds		132,447	54,573
Total charity funds	15	132,447	54,573

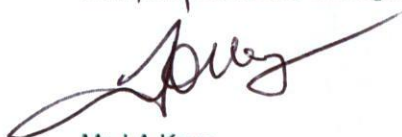
For the year ending 30 September 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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
	£	£
Current assets	137,825	137,825
Creditors less than 1 year	(5,378)	(5,378)
Net assets	132,447	132,447

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