

tiri MAKING  
INTEGRITY  
WORK

# ANNUAL REPORT 2007





Tiri - making integrity work

**Annual Report and Financial  
Statements**

30 September 2007

Charity Registration Number  
1120927

Company Registration Number  
4884328 (England and Wales)

**BUZZACOTT**



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## Legal and administrative information

<b>Trustees</b>	Shazadi Beg Jeremy Powys Carver Elizabeth Jill Filkin Andrew Lumsdaine Karney Rickie Sankar Clare Short
<b>Registered office</b>	12 New Fetter Lane London EC4A 1AG
<b>Business offices</b>	Downstream Building 3 <sup>rd</sup> Floor 1 London Bridge London SE1 9BG  French Hill (Sheikh Jarrah) P.O Box 49142 Jerusalem 91491  Utrechtsestraat 7 The Hague 2587RB
Telephone	+44 (0) 20 7022 1905
Website	tiri.org
<b>Company registration number</b>	4884328 (England and Wales)
<b>Charity registration number</b>	1120927 (England and Wales)
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	HSBC Bank 60 Queen Victoria Street London EC4N 4TR

The trustees present their statutory report together with the financial statements of the Tiri-Making Integrity Work (referred to throughout the remainder of this report as Tiri) for the year ended 30 September 2007.

The financial statements have been prepared in accordance with the accounting policies set out on pages 18 and 19 therein and comply with the charitable company's memorandum and articles of association. On 20 September 2007 the company obtained charitable status and the financial statements have therefore been prepared in accordance with the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005. No change in presentation has been required as a result of the charitable status.

### **Principal aims and objects**

Tiri is a charity NGO founded in London in 2003. Tiri works with a growing global network of specialists, academics, institutions, and organisations committed to working collectively and individually to raise integrity standards in both public and private institutions. Improvements in integrity offer perhaps the single largest opportunity for sustainable and equitable development worldwide.

Tiri was formed in October 2003 to work with governments, business, and civil society to find practical solutions to making integrity work. The time had come to foster a broad-based, global movement for integrity with the high degree of professionalism needed to address the challenges of sustainable reform.

Tiri's work programme was developed in close collaboration with key institutions and personalities throughout the anti-corruption movements and was carefully tailored to meet the needs they felt and expressed. Tiri was established to act as a catalyst, reacting swiftly to changing needs, and building on and reinforcing the skills and experiences in the field. Tiri operates in the firm belief that sustainable solutions can only really be found in the countries involved. Overwhelmingly, Tiri's programmes and expenditures are carried out in the field.

Tiri and our partners are committed to working collectively and individually to raise integrity standards everywhere, in both public and private institutions, in the belief that by so doing successfully we will assist processes of sustainable development and the reduction of poverty.

Tiri's emphasis is overwhelmingly on strengthening and supporting the effective implementation of existing legislation and policies. Numerous governments, organisations and businesses around the world have over the past decade introduced or strengthened relevant legislation and policies to address corruption and integrity. What is missing is its effective implementation. Only in rare cases does Tiri also advocate changes in legislation and policy.

The Objects and the Powers of Tiri are set out in more detail in the Memorandum of Association of 7 September 2007.

### Review of Activities and Achievements

In 2006/07 we consolidated our work programme, focusing on deepening and delivering to our existing programmes before seeking to expand Tiri's remit. The programmes are listed in chronological order by the year they started. More detailed and up-to-date information on each programme is available at [www.tiri.org](http://www.tiri.org).

### Cambridge Group of Election Commissioners (started 2002)

The Cambridge Group of Election Commissioners is an informal network and annual gathering of current and past chief election commissioners and chief electoral officers from the Commonwealth who have been meeting informally in Cambridge since 2002. In 2003, when Tiri was formed, we were invited to associate ourselves as hosts of the Group.

#### Goals in 2006/07

- ◆ Host the 6th meeting in Cambridge, with particular emphasis on elections recently held in Democratic Republic of Congo, India, Nigeria, and Scotland.
- ◆ Develop "Trust in Politics" a web-based tool to track political activity, and party political funding as a related programme of activities to raise the standards of transparency and accountability in politics.
- ◆ Start fundraising for a programme of assistance, training, and support.

#### Achievements in 2006/07

- ◆ The 6th Cambridge Conference of Chief Election Commissioners in the Commonwealth on Electoral Democracy took place in July 2007 in Cambridge under the joint auspices of the Malaysian Commonwealth Studies Centre and Tiri at Trinity College, Cambridge. The Commonwealth Secretariat was, as in previous years, an active participant in these proceedings.
- ◆ Tiri submitted a major funding proposal where the electoral commissioners will play an important part, particularly in Africa.
- ◆ Tiri signed an MOU with Transparency Brasil to develop their "Excelencias" online database on politicians in other countries. We explored the possibility of doing so in the UK, the USA, Czech Republic and India.

#### Goals in 2007/08

- ◆ Host the 7th meeting in Cambridge.
- ◆ Development of a programme of activities, particularly in Africa.
- ◆ Further develop "Trust in Politics".

**Review of Activities and Achievements** (continued)

**Public Integrity Education Network (started 2004)**

The mission of PIEN is to work to introduce and advance applied teaching, training and empirical research in the application of public integrity particularly through long-term partnerships with leading institutions in developing and transition settings. We are focused on how institutions may be strengthened to operate with high levels of integrity so that they are better placed to contribute to stable and equitable development.

Goals in 2006/07

- ◆ Focus on PIEN networks: Middle East, North Africa (MENA); China; Central, Eastern Europe; and Lusophone (Portuguese-speaking) countries.
- ◆ Develop the first PIEN peer-reviewed professional journal.
- ◆ Conduct a consultation to explore the development of programmes in Africa.
- ◆ Complete change to the format and output of the SUN course at the Central European University, to be held there for the third year.
- ◆ Conduct selected research.
- ◆ Recruit core staff for the programme.

Achievements in 2006/07

- ◆ Began the establishment of a new regional academic journal – Al Nazaha - The Arab Journal of Public Integrity and Management - to be launched in October 2008 with support from senior academics in the region and the personal support of the Lebanese Minister of Finance HE Jihad Azour and Guest Editorship of Dr Mohammed Al Shatti, former deputy Prime Minister of Kuwait.
- ◆ Al Nazahajournal.org website launched.
- ◆ MENA PIEN partner courses on public integrity in Morocco, Kuwait and Palestine.
- ◆ Commissioned new literature reviews for Arab language materials.
- ◆ Development of a post graduate course on Citizen Oversight in Pakistan
- ◆ PIEN China created a 'Best in University' course on corruption prevention, a textbook and five case studies. It extended the network to 12 universities.
- ◆ PIEN CEE obtained the formal agreement to develop an MA in Integrity and Public Administration at the New University of Bulgaria.
- ◆ Development of 4 new course structures based on the Policy Labs held at the SUN course in Budapest.

### Review of Activities and Achievements (continued)

#### Achievements in 2006/07 (continued)

- ◆ In December 2006, jointly with the Malaysian Commonwealth Trust at Cambridge University, Tiri hosted a symposium on Integrity and Education in Africa. The meeting emphasized both needs in public and private sectors. Participants from government and universities attended from Kenya, Mozambique, Namibia, Nigeria, Uganda; participants from business included Shell and SAP.
- ◆ Workshop in Macau hosted by the IIUM, a local academic institutions, funded by the Government of Macau. Participants came from Angola, Brazil, Cape Verde, Portugal, East Timor, Mozambique.
- ◆ PIEN has set up a tool for delivering online training, PIEN Lusophone has run PIEN's first online course with another planned.
- ◆ The SUN course at the central European University was the most successful and largest to date. Faculty included George Soros, Paul Collier, Clare Short. More than 60 participants from 45 countries. The SUN course was driven by four policy labs generating new course structures in new fields of applied integrity reform: fiscal transparency; integrity and reconstruction; applied legal skills; and natural resources governance.
- ◆ Conducted research on perceptions and reality for public institutions in Brazil, with PIEN partner Transparencia Brazil.
- ◆ Staffing: The PIEN team was joined by Programme Manager Rafael Castro, and Head of Educational Resource Development Dr Harutyun Aleksanyan.

#### Goals in 2007/08

##### *Strategic Activities*

- ◆ To launch and provide funding for first two years of the AJPIM (Al Nazaha).
- ◆ Major initiative in Indonesia.
- ◆ Major initiative in Former Soviet Union.
- ◆ PIEN Alumni Association launched.

##### *New Courses*

- ◆ Development of Integrity and Public Administration course in five former Soviet Union countries.
- ◆ MENA PIEN to launch new courses in Palestine and other countries.
- ◆ Development of a course on applied legal skills in Pakistan.
- ◆ Creation of a Certified Integrity Officer course in China, Pakistan, and Indonesia.
- ◆ China PIEN to extend courses within the network and extend to National School of Public Administration.
- ◆ Piloting of secondary schools course in Tanzania.

**Review of Activities and Achievements** (continued)

Goals in 2007/08 (continued)

*On Line Tools*

- ◆ Additional Online training tools adapted to local Russian and other languages.
- ◆ Online training tools for institutional integrity
- ◆ China PIEN web site launch, including China PIEN alumni association.

*Training and Short Courses*

- ◆ PIEN to extend its partnership with the U4 Anti-Corruption Resource Centre, in training (increasing workshops to six per annum) and research.
- ◆ To extend the Institutional Integrity project into three central Asian countries and Pakistan.
- ◆ To develop the Policy Lab process and pilot initial courses in Applied Legal Skills, Natural Resource Governance, Fiscal Transparency, and Reconstruction.
- ◆ Develop new training materials for Institutional Integrity in Russian and English suitable for South Asia and Former Soviet Union.

*Research*

- ◆ Paper on corruption Prevention in Education in Armenia.
- ◆ Institutional Survey of Integrity carried out in Four African countries.
- ◆ New case studies

**Network for Integrity in Reconstruction (started in 2005)**

The two primary aims of the Network for Integrity in Reconstruction are:

- ◆ To have a positive impact on the integrity of the post-war reconstruction process through increased awareness and literacy of the reconstruction process; transparency and availability of information on reconstruction; civil society engagement in the reconstruction process.
- ◆ To have a positive impact on post-war reconstruction policies: Monitored reconstruction programmes should prioritise the needs of poor and marginalised groups; the capacities of local groups will be built to monitor reconstruction programmes in the long term; the execution of reconstruction programmes will be more effective through increased levels of transparency, accountability and inclusiveness.

## Review of Activities and Achievements (continued)

### Goals in 2006/07 (continued)

- ◆ Uncover empirical evidence related to the impact and origins of corruption in post-war reconstruction, and finalise the first systematic and in-depth cross-country policy analysis on the subject conducted by researchers and activists from affected countries.
- ◆ Work with local policy leaders to produce this body of evidence, and build up their analytical capacity and expertise in order for them to take ownership of the project and spearhead the implementation of their research findings.
- ◆ Inform the policy debate on post-war reconstruction, and advocate both internationally and within the concerned countries and regions for the urgently needed reappraisal and reform of current practices.
- ◆ Implement key standards and innovations and independently monitor their effectiveness.
- ◆ First international training course on the subject.

### Achievements in 2006/07

- ◆ Tiri finalised the comparative NIR policy paper producing an evidence-based argument for the need to invest in integrity at the earliest stages of post-war reconstruction. The paper uses three evidence streams per country, and is co-authored with our country partners. The evidence streams constitute the most extensive research on the topic so far.
- ◆ The Network for Integrity in Reconstruction was officially launched as a network in London in January 2007. A workshop bringing together country partners with the advisory board established the working principles for the implementation of the Network's findings together with the Network's mission statement:

*We work to advance integrity in post-war countries by promoting accountability, professionalism, and corruption control to increase the effectiveness of recovery and reduce the likelihood of reverting to violent conflict.*

- ◆ The launch received coverage in the UK's Observer, The Toronto Star, Al Quds, Bergens Tidene (Norway), BBC's World Today, BBC World Service's 'World Have Your Say', Spanish Service and Focus on Africa.
- ◆ The findings of the network were presented to key donor audiences in North America and Europe. At each event, the policy paper's main findings were presented, together with the NIR recommendations.

### **Review of Activities and Achievements** (continued)

#### Achievements in 2006/07 (continued)

- ◆ The Network for Integrity in Reconstruction began the implementation of two key standards: (1) Post-war governments, international donors and civil society should empower beneficiary communities – including marginalized groups – to monitor the reconstruction funds and assistance intended for them. (2) The implementation of a universal norm of transparency for donor assistance and multilateral loans and financing.
- ◆ First training course on the subject held at the SUN 2007 course at the Central European University as a policy lab at Tiri's "Public Integrity Reform" course. Participants from 8 countries attended.
- ◆ Staffing: NIR is joined by Claire Schouten as programme manager.

#### Goals in 2007/08

- ◆ In key post-war countries, Tiri will facilitate the development of a network of NGOs monitoring the integrity of specific reconstruction programmes and reporting their findings to their government, donors, and the public.
- ◆ Tiri will initiate a campaign calling for transparency in foreign aid: the Publish What You Fund campaign. The campaign will facilitate the development and implementation of international transparency standards.

### **Integrity@Work (started in 2006)**

This public sector ethics and integrity programme provides an innovative, competency-based capacity building resource for public officials and others who have dealings with government agencies.

#### Goals in 2006/07

- ◆ Kick-start the programme by securing the political support and funding for the first country programme and recruiting an expert programme director.

#### Achievements in 2006/07

- ◆ Obtained the support of the Government of Nigeria to be the first country in Africa to pilot this programme.
- ◆ Started the Nigeria integrity@work programme with the Nigerian Bureau for Public Sector Reforms (BPSR), with financial support from DFID and NORAD.
- ◆ Focus groups with over 20 participants uncovered more than 100 separable integrity and ethics issues, from which scripts for 8 films were constructed.

**Review of Activities and Achievements** (continued)

Achievements in 2006/07 (continued)

- ◆ Production of a whole new training suite on DVD for Nigeria based on focus groups in Nigeria, filming and scripting in South Africa.
- ◆ The Presidential election in April 2007 resulted in a 9 months delay in the programme. The training, piloting and online testing phase did not commence in this period as originally planned.
- ◆ Submission of a major programme proposal for Indonesia.

Goals in 2007/08

- ◆ In Nigeria: to complete manuals and training materials; commission online training; train trainers and begin to pilot the courses in preparation for implementation of the project across the country.
- ◆ Work with PIEN and AKDN to develop secondary schools based projects in East Africa.

**Business Integrity Programme (in development)**

Tiri's Business Integrity Programme seeks to provide answers and strategies to the question of what it means to do business with integrity in emerging markets today. All major corporations have compliance programmes. These contain prohibitions against bribery and responding to extortion. This compliance-based approach does not resolve the strategic question of what it means to do business with integrity, particularly in the sometimes volatile environment of the emerging world. The focal point of the Business Integrity Programme is the Business Integrity Working Group, composed of a small number of global corporations.

Goals in 2006/07

- ◆ Produce a business plan for the Business Integrity Working Group.
- ◆ Lay groundwork for the programme with consultations with business leaders in India, Europe, and North America.
- ◆ Start consultations with business school deans and leading academics in the field.
- ◆ To recruit a director for the programme.

Achievements in 2006/07

- ◆ Conducted a study for Novo Nordisk making the case for going beyond compliance.
- ◆ Successfully laid the groundwork for programme through consultations with business leaders in India, Europe, and North America.

### Review of Activities and Achievements (continued)

#### Achievements in 2006/07 (continued)

- ◆ Produced the business Plan with support from John Morrison, founder of the Business Leaders Initiative for Human Rights (BLIHR).

#### Goals in 2007/08

- ◆ Launch the Business Integrity Working Group with up to 12 companies from a wide range of business sectors.
- ◆ Recruit the companies to join the Business Integrity Working Group.
- ◆ Start a schedule of quarterly meetings over the forthcoming three years.
- ◆ Secure funding for the new Business Integrity Education Network (BIEN).
- ◆ Recruit a director for the programme (recruited May 2008).

## Cross-Cutting

#### *Training and Short Courses*

- ◆ Tiri deepened its partnership with the U4 anti-corruption resource centre, in training donors on anti-corruption strategy. PIEN conducted training for the Nigerian Ministry of Finance in integrity skills. PIEN designed a strategic leadership vehicle for strengthening institutional integrity in four African countries in partnership with the Aga Khan Development Network. The partnership with Makerere University extended and supported the Department of Applied Ethics as a regional teaching and research centre.

#### *Consultancies*

- ◆ Tiri undertook a short consultancy for the Norwegian government in February 2007 to review the Norwegian Embassy in Nepal's project portfolio and lead a seminar on public integrity strategies.
- ◆ Tiri undertook another short assignment in May for the Norwegian embassy in Antananarivo, Madagascar to review Norway's support to anti-corruption activities in the country.

#### *Online Tools*

- ◆ Developed its online network tool – TiriWeb, which hosts, among others, a World Bank Institute network.

### **Reserves policy and financial position**

#### *Reserves policy*

The Board has examined the requirement of establishing a target level of unrestricted reserves in order for the charity to have adequate working capital to respond to unforeseen shortfalls in cash resources in the future. Currently the charity's target level of unrestricted 'free reserves' is equivalent to 6 months annual expenditure on core funding. Based on the values as at 30 September 2007 the level of free reserves should be approximately £75,000. The Board has designated a two year time frame in order to achieve this aim.

#### *Financial position*

The balance sheet shows total funds of £233,743 (2006 - £53,189).

General funds of the company at 30 September 2007 total £5,219 deficit (2006 £41,225 deficit). These funds are represented by tangible fixed assets with a net book value of £2,023 (2006 - £1,423) and 'free reserves' of £7,242 deficit (2006 - £42,678).

The trustees consider that this level of free reserves has improved considerably since 2006 and this has been a result of better budgetary control and revised core funding from the Open Society Institute. The trustees expect that reserves will become positive in the ensuing year and furthermore bring its level closer to the 'target' free reserve level during 2009.

Also included in total funds is a restricted fund balance of £238,962 (2006 - £94,414). The increase is indicative of the fact that Tiri has obtained more project funding from the commenced of many new initiatives that have attracted great interest from international governmental and public bodies. The balance on restricted funds will be used in the next accounting period, and its use restricted to the specified purposes. Full details of these restricted funds can be found in note 10 to the accounts together with an analysis of movements in the year.

### **Risk management**

The trustees have reviewed the company's risk assessment register and continue to do so on an annual basis in order to manage the major risks to which the company is exposed, in particular those relating to the specific business and operational areas of the company and its finances. The review ensures that the trustees are aware of all business risks of the company and that they are satisfied that the control procedures are adequate to mitigate these risks.

### **The company's assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts, and as at 30 September 2007 the net book value of fixed assets held by the company was £2,023 (2006 - £1,423).

### **Trustees**

Each trustee has taken responsibility for monitoring the company's activities in specific operational areas and constant regard is had to the skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the company's development.

The following trustees were in office at 30 September 2007 and served throughout the year, except where shown.

<b>Trustee</b>	<b>Appointed / Resigned</b>
A L Karney (chair)	
J P Carver CBE	
S Beg	
E Cotran	Resigned 7 March 2007
E J Filkin	Appointed 20 March 2008
R Sankar	
C Short	

<b>Audit committee</b>	<b>Appointed / Resigned</b>
R Sankar (chair)	
E J Filkin	Appointed 4 June 2008
A L Karney	

### **Company secretary**

Martin Tisne

### **Senior executives**

<b>Name</b>	<b>Position</b>
Fredrik Galtung	Chief Executive and Co-Founder
Jeremy Pope	Co-Founder

### **Statement of trustees' responsibilities**

Company law requires the company to prepare accounts, which give a true and fair view of the state of affairs of the company at the end of the financial year and of its surplus or deficit for the financial year. In preparing accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enables them to ensure that the accounts comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

### **Auditors**

On 30 September 2007, Buzzacott, the company's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The trustees have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP. In accordance with section 385 of the Companies Act 1985, Buzzacott LLP will be proposed for re-appointment as auditors of the charity.

Approved by the Board and signed on their behalf by:

R Sankar, Tiri trustee, Chair of the Audit Committee

4 June 2008

**Report of the independent auditors to the members of Tiri**

We have audited the accounts on pages 16 to 25 which have been prepared under the historical cost convention and the accounting policies set out on pages 18 and 19.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described on page 13 the trustees are responsible for the preparation of the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information contained in the trustees' report is consistent with the financial statements.

In addition we report to you if in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the trustees' report and consider whether it is consistent with the audited financial statements.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the charity's state of affairs as at 30 September 2007 and of its incoming resources and application of resources, in the year then ended;
- ◆ have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the Trustees' Report is consistent with the financial statements.

Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

Statement of financial activities 30 September 2007

	Notes	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Grants	1	—	973,063	<b>973,063</b>	363,040
. Investment income		3,528	—	<b>3,528</b>	1,332
Incoming resources from charitable activities					
. Fees		38,901	—	<b>38,901</b>	66,850
<b>Total incoming resources</b>		<b>42,429</b>	<b>973,063</b>	<b>1,015,492</b>	431,222
<b>Cost of generating funds</b>					
		—	14,073	<b>14,073</b>	11,519
<b>Net incoming resources available for charitable application</b>					
		<b>42,429</b>	<b>958,990</b>	<b>1,001,419</b>	419,703
<b>Resources Expended</b>					
<b>Charitable expenditure</b>					
Cost of charitable activities					
. Capacity development		8,251	553,094	<b>561,345</b>	382,102
. Implementation and enforcement		5,647	243,385	<b>249,032</b>	207,937
. Measuring and monitoring		—	2,355	<b>2,355</b>	24,612
Governance costs		—	8,133	<b>8,133</b>	5,356
<b>Total charitable expenditure</b>		<b>13,898</b>	<b>806,967</b>	<b>820,865</b>	620,007
<b>Total resources expended</b>	2	<b>13,898</b>	<b>821,040</b>	<b>834,938</b>	631,526
<b>Net incoming/(outgoing) resources before transfers</b>		<b>28,531</b>	<b>152,023</b>	<b>180,554</b>	(200,304)
Transfer of funds	10	7,475	(7,475)	—	—
<b>Net incoming/(outgoing) resources after transfers</b>		<b>36,006</b>	<b>144,548</b>	<b>180,554</b>	(200,304)
<b>Fund balances at 1 October 2006</b>		(41,225)	94,414	<b>53,189</b>	253,493
<b>Fund balances at 30 September 2007</b>		<b>(5,219)</b>	<b>238,962</b>	<b>233,743</b>	53,189

**Balance sheet** 30 September 2007

	Notes	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	6		<b>2,023</b>		1,423
<b>Current assets</b>					
Debtors	7	<b>133,902</b>		17,900	
Cash at bank and in hand		<b>491,819</b>		288,994	
		<b>625,721</b>		<b>306,894</b>	
<b>Creditors:</b> amounts falling due within one year	8	<b>394,001</b>		255,128	
			<b>231,720</b>		51,766
<b>Total net assets</b>			<b>233,743</b>		<b>53,189</b>
<b>Represented by:</b>					
<b>Funds</b>					
Unrestricted funds	9		<b>(5,219)</b>		(41,225)
Restricted funds	10		<b>238,962</b>		94,414
			<b>233,743</b>		<b>53,189</b>

Approved by the Board  
and signed on their behalf by:



A L Karney  
4 June 2008

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the requirements of the Companies Act 1985.

Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in these financial statements.

**Going concern**

The financial statements have been prepared on the going concern basis. At 30 September 2007 the company’s unrestricted funds were in deficit. The trustees anticipate, however that the unrestricted fund balance will replenish itself over the next financial year by way of further fundraising initiatives and better cost control, and therefore believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments to assets or provisions for liabilities that would result from the basis of preparation being inappropriate.

**Incoming resources and resources expended**

Restricted income is recognised when receivable. All other income and non grant-making expenditure is recognised on an accruals basis as goods and services are delivered or performed. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants payable are recognised as expenditure when a binding commitment has been entered into.

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised. Depreciation is at the following annual rates in order to write assets off over their estimated useful lives:

- ◆ Computer equipment            50% per annum based on cost
- ◆ Fixtures and Fittings            50% per annum based on cost

**Restricted funds**

Income received for purposes specified by the donor are shown as restricted fund income in the statement of financial activities. Expenditure for the purposes specified is applied to the relevant fund and any unexpended amount at the balance sheet date is carried forward within restricted funds.

**Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 “Cash flow statements”.

**Foreign currencies**

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

**Allocation of staff and overhead costs**

Staff and overhead costs are apportioned between projects according to the amount of time spent by each member of staff on each respective activity.

1 Grants receivable

	2007 £	2006 £
Restricted		
Stiftung Open Society	<b>516,176</b>	291,074
Canadian Int. Development Agency (CIDA)	—	3,951
Norwegian Agency for Development Cooperation (NORAD)	<b>183,898</b>	91,460
Department for International Development (DFID)	<b>110,000</b>	110,000
Aga Khan Foundation	<b>46,634</b>	—
Ford Foundation	<b>152,971</b>	—
United Nations Development Programme (UNDP)	—	11,667
World Bank Institute	<b>7,432</b>	11,076
Cambridge Commonwealth Trust	—	20,000
Malaysian Commonwealth Studies Centre	<b>3,198</b>	—
Revenuewatch Institute	<b>77,159</b>	—
Norvo Nordisk	<b>15,634</b>	—
Center for International Enterprise	<b>1,106</b>	—
Christian Michelsens Institute (CMI)	<b>3,323</b>	7,337
	<b>1,117,531</b>	546,565
Add/(Less): deferred income – Stiftung Open Society	<b>(144,468)</b>	(183,525)
	<b>973,063</b>	363,040
<b>Total grants receivable</b>	<b>973,063</b>	363,040

**2 Resources expended**

	Fundraising and programme development £	Capacity development £	Imple- mentation & enforce- ment £	Measuring and monitoring £	Governance £	<b>2007</b> £	2006 £
<b>Unrestricted</b>							
. Direct project costs	—	8,251	5,647	—	—	<b>13,898</b>	49,019
. Apportioned support costs							
.. Staff costs	—	—	—	—	—	—	25,225
.. Travel	—	—	—	—	—	—	3,165
.. Computer costs	—	—	—	—	—	—	6,280
.. Printing Postage & Stationery	—	—	—	—	—	—	4,239
.. Other office costs	—	—	—	—	—	—	11,482
.. Audit & accountancy	—	—	—	—	—	—	15,609
.. Sundries	—	—	—	—	—	—	14,036
Foreign Exchange differences	—	—	—	—	—	—	6,181
	<u>—</u>	<u>8,251</u>	<u>5,647</u>	<u>—</u>	<u>—</u>	<u><b>13,898</b></u>	<u>135,236</u>
<b>Restricted</b>							
. Direct project costs	—	316,483	111,217	1,984	—	<b>429,684</b>	235,298
. Apportioned support costs							
.. Staff costs	—	161,019	98,842	279	—	<b>260,140</b>	195,288
.. Travel	7,899	8,170	3,602	10	1,670	<b>21,351</b>	2,986
.. Computer costs	—	8,500	3,748	10	—	<b>12,258</b>	9,353
.. Printing Postage & Stationery	—	9,420	4,153	11	—	<b>13,584</b>	6,313
.. Other office costs	—	22,195	9,785	27	—	<b>32,007</b>	17,099
.. Audit & accountancy	—	14,850	6,547	18	6,463	<b>27,878</b>	15,721
Foreign Exchange differences	—	3,863	1,703	5	—	<b>5,571</b>	5,025
.. Sundries	6,174	8,594	3,788	11	—	<b>18,567</b>	9,207
	<u>14,073</u>	<u>553,094</u>	<u>243,385</u>	<u>2,355</u>	<u>8,133</u>	<u><b>821,040</b></u>	<u>496,290</u>
<b>Total expenditure</b>	<u>14,073</u>	<u>561,345</u>	<u>249,032</u>	<u>2,355</u>	<u>8,133</u>	<u><b>834,938</b></u>	<u>631,526</u>

Overheads and staff costs are apportioned to the various activities based on a percentage of staff time. The percentage of staff time spent on the different activities is calculated using the number of days worked on each activity out of the number of days worked in the year.

Included in the above are the following:

	<b>2007</b> £	2006 £
Depreciation of tangible fixed assets	<b>3,445</b>	4,562
Auditors' remuneration		
. Audit	<b>6,463</b>	7,989
. Other services	<b>4,700</b>	4,113

### 3 Staff costs

	2007 £	2006 £
Wages and salaries	249,111	217,160
Social security costs	4,583	3,353
Other staff costs	6,446	—
	<b>260,140</b>	<b>220,513</b>

The average number of employees throughout the year was:

	2007 Number	2006 Number
Project workers	5.5	4.5
Admin staff	1.0	1.0
	<b>6.5</b>	<b>5.5</b>

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2007 Number	2006 Number
£80,000 - £89,999	1	1

### 4 Trustees' remuneration

	2007 £	2006 £
Trustees emoluments	—	—

No expenses were reimbursed to any trustees during the year (2006 - nil).

### 5 Taxation

Tiri is a registered charity. The charitable company is not subject to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to charities.

**6 Tangible fixed assets**

	Fixtures & Fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 October 2006	4,951	12,431	<b>17,382</b>
Additions in the year	—	4,045	<b>4,045</b>
At 30 September 2007	<u>4,951</u>	<u>16,476</u>	<b><u>21,427</u></b>
<b>Depreciation</b>			
At 1 October 2006	4,602	11,357	<b>15,959</b>
Charge for year	349	3,096	<b>3,445</b>
At 30 September 2007	<u>4,951</u>	<u>14,453</u>	<b><u>19,404</u></b>
<b>Net book values</b>			
At 30 September 2007	—	2,023	<b>2,023</b>
At 30 September 2006	<u>349</u>	<u>1,074</u>	<b><u>1,423</u></b>

**7 Debtors**

	2007 £	2006 £
Other debtors	<b>126,224</b>	10,080
Prepayments and accrued income	<b>7,678</b>	7,820
	<u><b>133,902</b></u>	<u>17,900</u>

**8 Creditors: amounts falling due within one year**

	2007 £	2006 £
Expense creditors	<b>57,021</b>	48,252
Deferred income (see note 1)	<b>327,994</b>	183,525
Accruals	<b>8,986</b>	23,351
	<u><b>394,001</b></u>	<u>255,128</u>

**9 Unrestricted funds**

	At 1 October 2006 £	Incoming resources £	Resources expended & transfers £	At 30 September 2007 £
General purposes	(41,225)	42,429	(6,423)	<b>(5,219)</b>

10 Restricted funds

	At 1 October 2006 £	Incoming resources £	Resources expended & transfers £	At 30 September 2007 £
<b>Capacity development</b>				
PIEN	12,985	250,228	211,866	<b>51,347</b>
Integrity@Work	20,493	208,198	165,187	<b>63,504</b>
Policy Labs	—	77,159	67,404	<b>9,755</b>
BIP	—	15,634	26,936	<b>(11,302)</b>
Georgia Training	3,646	—	—	<b>3,646</b>
<b>Implementation and enforcement</b>				
Network for Integrity and Reconstruction	62,525	231,419	205,099	<b>88,845</b>
<b>Measuring and Monitoring</b>				
Georgia Mapping	(5,235)	—	1,984	<b>(7,219)</b>
<b>Core funding – OSI</b>				
	—	190,425	150,039	<b>40,386</b>
	<u>94,414</u>	<u>973,063</u>	<u>828,515</u>	<u><b>238,962</b></u>

PIEN: a university network to introduce practical courses on anti-corruption and integrity reform.

Integrity@work: an interactive, video-based capacity-raising tool for ethical competence in the public service.

Policy Labs: Funded by Revenue Watch Institute the grant facilitated two Policy Labs, which took place at the SUN course in Budapest in July 2007.

BIP: Represents *Business Integrity Programme* which is focused on the large multinational private sector companies. During the year this project received funding for the first time. Costs that were incurred in 2006 on this project were written off, however a reserve transfer was effected this year to ensure that the previous years BIP costs are also recognised within the project. The costs transferred from unrestricted funds to this fund amounted to £7,475 and this sum was transferred to unrestricted funds prior to the year end. During the year this project had a deficit of £11,302.

Georgia Training: intensive training for senior public sector officials on integrity reform strategies.

Network for Integrity and Reconstruction (NIR): a civil society network committed to raising levels of integrity in reconstruction to contribute towards reducing the likelihood of countries reverting to violent conflict.

10 **Restricted funds** (continued)

Georgia Mapping: an analysis of the national integrity system, to assess both what works and what doesn't and how agencies interact with each other.

At 30 September 2007, the Georgia Mapping project was in deficit, however income for this project was received in December 2007 in order to fund the deficit. Also in deficit at the year end was the BIP project, however further funding from both the private sector and OSI will be forthcoming in the ensuing year and will replenish this balance in 2008.

11 **Analysis of net assets over funds**

	Unrestricted funds £	Restricted funds £	<b>Total funds £</b>
Tangible fixed assets	2,023	—	<b>2,023</b>
Net current assets	(7,242)	214,776	<b>207,534</b>
	<b>(5,219)</b>	<b>214,776</b>	<b>209,557</b>

12 **Commitments under operating leases**

As at 30 September 2007 the company has annual commitments under non-cancellable operating leases as set out below:

	<b>2007 Land and buildings £</b>	2006 Land and buildings £
Operating leases which expire:		
Within one year	<b>12,834</b>	—
In two and five years	—	18,367
	<b>12,834</b>	18,367



The building blocks represent Tiri's Network for Integrity in Reconstruction, which aims to advance integrity in post-war countries by promoting accountability, competence, and corruption control to increase the effectiveness of recovery and reduce the likelihood of reverting to violent conflict.



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