

**CORPORATE ACCOUNTABILITY NETWORK LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 28 JANUARY 2019 TO 30 JUNE 2020**



**Corporate Accountability Network Limited
Directors' Report and Unaudited Financial Statements
For the Period 28 January 2019 to 30 June 2020**

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Corporate Accountability Network Limited
Company Information
For the Period 28 January 2019 to 30 June 2020

Directors Mr John Christensen
Professor Adam Leaver
Mr Richard Murphy
Dr Meesha Nehru

Secretary Mr Richard Murphy

Company Number 11791864

Registered Office 33 Kingsley Walk
Ely
CB6 3BZ

Business 33 Kingsley Walk
Ely
CB6 3BZ

Corporate Accountability Network Limited
Company No. 11791864
Directors' Report For the Period 28 January 2019 to 30 June 2020

The directors present their report and the financial statements for the period ended 30 June 2020.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Principal Activity

The company's principal activity is research into, and the promotion of, corporate accountability and accounting reform.

Review of Business

The company was incorporated in January 2019 and commenced unpaid activities at that time, led by its director, Prof. Richard Murphy.

A board to provide oversight and support for this work was appointed in May 2019. The company is grateful to the three unpaid members of the board for their support.

The company published a proposal for what it has called sustainable cost accounting in the summer of 2019, which has been updated and revised since then following dissemination and discussion, including at a launch event at the Institute of Chartered Accountants in England and Wales. Details of sustainable cost accounting are available at <http://www.corporateaccountabilitynet.work/projects/sustainable-cost-accounting-the-essential-guides/>.

A grant of £15,000 from the Joffe Charitable Trust (<https://joffetrust.org/>) was secured in October 2019 to support work on sustainable cost accounting and work commenced on activity funded by that grant in December of that year. Unfortunately, the coronavirus crisis put that work on hold in early March 2020 and with the consent of the Joffe Trust the grant period has been extended and now lasts for 18 months. This is reflected in the estimation of income in advance included in these accounts. Work has now recommenced.

In addition, a grant of £5,954 was received from the Economic and Social Research Council funded Productivity Insight Network via Sheffield University Management School for research into financial engineering and productivity as revealed in corporate accounting. A summary of the work undertaken and outputs delivered is available at <https://productivityinsightsnetwork.co.uk/2020/03/accounting-for-productivity/>.

The directors are pleased with progress in this first period of activity despite the interruption caused by coronavirus.

The company is considered to be a going concern as a result of it having income received in advance and because of the developments noted elsewhere in this report.

Since the company did not make a profit in the year it has no taxation liabilities arising as a result of its activities.

Corporate Accountability Network Limited
Directors' Report (continued)
For the Period 28 January 2019 to 30 June 2020

Future Developments

The company has developed since the period-end date.

A further grant has been agreed in principle with the Productivity Insight Network via Sheffield University Management School to develop the work undertaken in the previous period. This grant will be worth approximately £30,000.

In addition a grant of approximately £30,000 has been offered by Luminare to work on issues relating to audit reform. The focus of the work will be on the production and delivery of educational materials relating to this issue and on developing proposals for technical reforms.

Further bids for grants have been made but the outcome of these bids is not yet known.

The scale of the company's activity will, as a result of these grants, increase in the current year.

Directors

The directors who held office during the period were as follows:

Mr John Christensen	APPOINTED	29/05/2019
Professor Adam Leaver	APPOINTED	01/05/2019
Mr Richard Murphy	APPOINTED	28/01/2019
Dr Meesha Nehru	APPOINTED	01/05/2019

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board

Mr Richard Murphy

Director

20 October 2020

Corporate Accountability Network Limited
Income and Expenditure Account
For the Period 28 January 2019 to 30 June 2020

	Notes	30 June 2020
		£
TURNOVER		9,287
GROSS SURPLUS		9,287
Administrative expenses		(9,353)
OPERATING DEFICIT AND DEFICIT FOR THE FINANCIAL PERIOD		<u>(66)</u>

The notes on pages 6 to 8 form part of these financial statements.

Corporate Accountability Network Limited
Balance Sheet
As at 30 June 2020

	Notes	30 June 2020	
		£	£
CURRENT ASSETS			
Debtors	5	189	
Cash at bank and in hand		12,114	
		12,303	
Creditors: Amounts Falling Due Within One Year	6	(12,369)	
NET CURRENT ASSETS (LIABILITIES)			(66)
TOTAL ASSETS LESS CURRENT LIABILITIES			(66)
NET LIABILITIES			(66)
Income and Expenditure Account			(66)
MEMBERS' FUNDS			(66)

For the period ending 30 June 2020 the company 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 in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board

Mr Richard Murphy

Director

20 October 2020

The notes on pages 6 to 8 form part of these financial statements.

Corporate Accountability Network Limited
Notes to the Financial Statements
For the Period 28 January 2019 to 30 June 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover includes revenue earned from the rendering of services.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in surplus or deficit, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.4. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

Corporate Accountability Network Limited
Notes to the Financial Statements (continued)
For the Period 28 January 2019 to 30 June 2020

2. Staff Costs

Staff costs include director's remuneration of £7,000.

	30 June 2020
	£
Wages and salaries	8,000
Social security costs	266
Other pension costs	151
	8,417
	8,417

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 1

4. Tax on Surplus

	Tax Rate	30 June 2020
	30 June 2020	£
UK Corporation Tax	19.0	-
		-
		-
Profit before tax		(66)
Breakdown of Tax Charge is:		
Tax on profit at 0% (UK standard rate)		-
Total tax charge for the period		-
		-
		-

5. Debtors

	30 June 2020
	£
Due within one year	
Prepayments and accrued income	67
Other taxes and social security	122
	189
	189

Corporate Accountability Network Limited
Notes to the Financial Statements (continued)
For the Period 28 January 2019 to 30 June 2020

6. Creditors: Amounts Falling Due Within One Year

	30 June 2020
	£
Accruals and deferred income	12,369
	<hr/>
	12,369
	<hr/> <hr/>

Income received in advance of being earned of £11,667 is included in the above sum.

7. Company limited by guarantee

The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute to the assets of the company, in the event of a winding up, such an amount as may be required not exceeding £1.

8. General Information

Corporate Accountability Network Limited is a private company, limited by guarantee, incorporated in England & Wales, registered number 11791864. The registered office is 33 Kingsley Walk, Ely, CB6 3BZ.