TAXAID UK

England & Wales · Charity number 1062852

Details

Other names	TAXAID
Status	Registered
Legal form	Charitable company
Company number	03374001
Registered	1997-06-13
Register	View on the Charity Commission register

Contact

Address	30 Monck Street London SW1P 2AP
Phone	02078034950
Email	info@taxaid.org.uk
Website	www.taxaid.org.uk

Activities

Objects: [A] TO PROVIDE ADVICE AND ASSISTANCE IN TAX AND FINANCIAL MATTERS TO PERSONS IN FINANCIAL NEED . [B] TO ADVANCE PUBLIC EDUCATION ABOUT ALL ASPECTS OF TAX AND TAX DEBT.

Activities: A specialist provider of free advice on tax and tax debt to the low paid, achieved through a national helpline, a website, and face-to-face services in London and major cities. Represents the low-income taxpayer to government and HMRC.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

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Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,226,919	£1,115,426	£554,029	17
2024-03-31	£1,081,039	£982,984	£442,536	18
2023-03-31	£1,127,571	£1,065,417	£344,481	18
2022-03-31	£940,127	£882,077	£282,327	15
2021-03-31	£967,470	£930,004	£224,277	15

Trustees

Name	Role	Appointed
Kevin John Nicholson	Chair	2017-03-15
Anna Mollett		2025-07-01
Craig Stewart Muir		2025-07-01
Gary John Jones		2025-07-01
Joanna Clare Wakeman		2025-07-01
John Gresham Whitehead		2025-07-01
Matthew James Ellis		2022-07-11
Nicholas Andrew Pheasey		2025-05-01

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TAXAID UK

England & Wales - Charity number 1062852

Accounts

Company registration number: 03374001

Charity registration number: 1062852

TaxAid UK

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Thompson Jenner LLP
Statutory Auditors
1 Colleton Crescent
Exeter
Devon
EX2 4DG

TaxAid UK

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TaxAid UK

Reference and Administrative Details

Chair	Kevin Nicholson
Trustees	Kevin Nicholson Jonathan Peacock KC Nicholas Edwards Matthew Ellis Nicholas Pheasey, (Appointed on 01/05/2025) Anna Mollett, (Appointed on 01/07/2025) Angela Cullimore-Todd, (Appointed on 01/07/2025) Craig Muir, (Appointed on 01/07/2025) Joanna Wakeman, (Appointed on 01/07/2025) John Whitehead, (Appointed on 01/07/2025) Gary Jones, (Appointed on 01/07/2025)
Chief Executive Officer	Valerie Boggs
Charity Registration Number	1062852
Company Registration Number	03374001
Registered Office	30 Monck Street London SW1P 2AP
Auditor	Thompson Jenner LLP Statutory Auditors 1 Colleton Crescent Exeter Devon EX2 4DG
Bankers	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA

TaxAid UK

Chair's Report for the Year Ended 31 March 2025

This has been a big year for the Charity.

The staff and volunteers, led by our CEO Valerie Boggs and her senior leadership team has continued to help thousands of people in greatest need who are struggling with tax; helping them untangle the problem and alleviate their distress.

And we have also been developing our plans for the future; with simple the aim of having even more impact and helping more people.

In June 2025, TaxAid merged with Tax Help for Older People to create the UK's largest tax advice charity, which together last year supported more than 18,000 people and secured over £1.2m in debt relief and refunds. This combination recognises the change in needs of our beneficiaries; where the lines between employment and retirement are blurred, but the the challenges they face are the same: dealing with a complex and increasingly digital tax system alongside wider societal challenges such as debt, homelessness, and mental and other health issues.

The merger, which we worked on during the first 6 months of 2025 has created a stronger charity with greater reach and which benefits from the efficiencies of operating as one unified Board. I am delighted to welcome the seven new trustees who provide a wide range of experience and skills to help us face the future. I would also like to thank the retiring trustees; and in particular Stephen Banyard, who was my predecessor as Chair, and had been a trustee for many years. Stephen stays connected with the Charity by working with Matt Ellis to develop a new Ambassadors programme to increase our support across the tax profession.

We have made progress on developing our future strategy to support more people. While we will continue to provide support through our telephone hotline we recognise the challenges created by Making Tax Digital and the need to offer help in the different ways that our beneficiaries want to interact with us.

TaxAid has seen a 58% increase in people seeking help over the past three years, with demand expected to surge further as MTD rolls out. That means investing in new technology and online tools and working with other charities to train them to help a wider group of beneficiaries. Which is why we need to grow our income through a new fundraising strategy.

I am delighted that we continue to receive financial and other support from across the tax profession; including HMRC, Deloitte, EY, KPMG, PwC, BDO, RSM, Blick Rothenberg and other organisations such as The Chartered Institute of Taxation, the Worshipful Company of Tax Advisers and City Bridge Foundation; alongside the many individuals who give donations and their time. Without this support the Charity would not exist.

I am excited by the year ahead, with a newly merged Charity, a new brand, a new strategy, and new supporters. I hope that you can join us. The need has never been greater.

The strategic report was approved by the trustees of the charity on 10/12/25 and signed on its behalf by:

.....
Kevin Nicholson
Chair and trustee

TaxAid

TaxAid

Trustees' Report

The trustees, who are directors for the purpose of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2025. Reference and administrative information set out on page 1 forms part of this report. The charity is a company limited by guarantee and a registered charity, its governing documents are its articles of association.

The charity's formal objectives are:

- To provide advice and assistance in tax and financial matters to persons in financial need
- To advance public education about all aspects of tax and tax debt

Public benefit and how our activities deliver it

We have a duty to report on our organisation's public benefit under S.4 of the Charities Act 2011. We are confident that we meet those public benefit requirements having taken into consideration the Charity Commission guidance.

For those in greatest need and struggling with tax we help untangle the problem and alleviate their distress.

We support people before retirement or the self employed of all ages who are in financial poverty, including that created by debt and those experiencing other hardships or disadvantages. Many have mental or physical health problems.

We provide a tailored response to all those in need, by our helpline, one to one appointments, by email, information provided on our website and in guidance booklets. But in addition to giving clarity and practical help to as many people as possible we shine a light on the issues faced to raise awareness and generate support.

We work closely with partners in the voluntary and community sector through an outreach programme to increase referrals to our service. We provide training to our partners about tax to reach more people.

By working through multiple channels we enable our clients to help themselves and give them the tools and capability to have ownership of and manage their tax in the future.

We believe therefore that we meet the public benefit requirements through our client led tailored service and outreach programme.

Objectives, activities and impact

Our objective as a charity is to help people in poverty understand their tax better and to empower them to be able to manage their tax themselves. We are led by the needs of our clients, including our partners in the third sector.

We reduce poverty by supporting people to pay the right amount of tax. We campaign to make the tax system fairer, working with HMRC to do so.

And we are human, we see the reality for those that we help, so we know what is right.

We help our clients

We give professional tax advice, it's that simple, no strings. Advice to people like Tom.

Tom was referred to TaxAid by Citizens Advice in October 2024. He had a long history of mental health problems that started with a difficult family childhood. Tom battled addiction for a number of years. His mental health declined significantly during lock down and he was receiving support from mental health services when he called us.

Tom had worked as a plasterer and paid tax through the Construction Industry Scheme but as his mental health deteriorated he didn't manage to file tax returns. And in the 18 months before Tom got in touch, he was unable to work because of his health and his only source of support was the receipt of benefits.

When Tom was referred to us he was about to be made homeless, owing £6,000 in credit card debt, £6,000 in rent and £4,500 to HMRC. He had no savings. Tom's situation was desperate.

One of TaxAid's volunteers helped Tom complete the four missing tax returns. When these were processed the net tax position was a refund of £3,500. But he had been charged penalties, and without an appeal against these the full refund would be retained by HMRC in part payment of the penalties.

The volunteer made an appeal against the penalties that had been charged for these missing returns and the appeal was successful.

The result:

- Tom's tax record is up to date.
- Penalties are cancelled.
- HMRC paid Tom a refund of £3,500.
- His self assessment record is closed.
- Tom knows what to do if he is self employed in the future again.
- He knows where to get help if he struggles with the process next time.

In 2024/25 we helped 6,000 people, of which 74% were complex queries, like Toms's and 26% simple queries.

Most of our help is provided by taking calls on our helpline. This operates 9am-5pm Monday – Friday. The help we provide is to those in financial poverty and those with additional vulnerabilities. Callers to the helpline were connected on average 72.6% of the time. We supported clients with a wide range of tax issues, with Self-Assessment being by far the most the most common issue raised but PAYE, tax debt, and 'failure to notify' were also significant.

1,292 beneficiaries told us that they had vulnerabilities, many having multiple problems. Of these, mental health problems affected 42% and physical health issues, 26%. Homelessness, bereavement and broken relationships were some of the other vulnerabilities reported to us and with other issues made up the remaining 32% of all the vulnerabilities people told us about.

We work with our third sector partners

In addition to calls received directly on our helpline and emails in our inbox, we receive calls from our third sector partners and we provide them with the support they need to help their clients and increase the reach of our expertise.

In 2024/25 we directly emailed over 600 individuals working in the advice sector with targeted advice about self assessment in January and PAYE tax codes in March.

We didn't stop there, we continued to work in partnership with Voluntary and Community Sector (VCS) organisations in a number of ways, seeking to improve how we can support our partners. Following feedback we developed a pilot training programme, working with LITRG (Low Incomes Tax Reform Group) and the Money Advice Trust and delivered training on 'Side Hustles and their Tax Implications'. The presentation was attended by 85 people online and viewed a further 100 times subsequently.

We are supported by our volunteers

Tom was supported by one of over 100 volunteers. These volunteers participate in both our individual and corporate volunteering programmes. Volunteer advisers took 700 appointments in 2024/25. We completed a review of our volunteers' skills and engagement in 2024 and as a result client matching has become more effective leading to better outcomes for beneficiaries and volunteers.

We support our volunteers through newsletters, training sessions and bespoke one to one support. An assessment of open rates for our thrice-yearly volunteer newsletter showed an average open rate of 52.74%, exceeding industry benchmarks for internal newsletter engagement. Whilst encouraging, the newsletter often includes essential updates directly relevant to volunteers' roles, and it became clear that a significantly higher open rate was needed to ensure key information wasn't being missed. In response we revised the communications schedule, separating technical updates from general content. Our new newsletter format achieves an increased average open rate of 71.1%. As a result, our tax technical communications are now more directed and accessible to volunteers, ensuring that they are better able to support any emerging tax issues our beneficiaries are facing as well as being on top of administrative or technical changes. And the general newsletter focuses on informative charity news, recognising volunteer contributions, and strengthening community connection and volunteer engagement.

We advocate for our clients

We're working to make tax less taxing and speak out for a fairer tax system. To achieve this Senior TaxAid staff participate regularly in HMRC forums, working groups and consultations.

We don't stop here. We listen. During the year we introduced a new feedback survey to gain better understanding of the people we support, the impact of our services and how we can best serve those we support. Although our data set is currently too small to provide any significant findings, it is an important new means through which we can listen to our beneficiaries and ensure that our service is meeting their needs and that our feedback to HMRC is precise.

We make a difference

Through our support for vulnerable and low-income taxpayers, we reduced our clients' tax liability by £706,813. This outcome both relieves poverty but also the stress that such liability brings. Our work ensures that people are paying the right amount of tax, and so sometimes the outcome of our work is an increased tax liability, which in 2024-25 was £41,871. For those people who turn to us support, whose debt remains after we have investigated and appealed, we provide clear signposting to appropriate debt agencies so that they receive the right support to manage their debt (something that we are not qualified to do).

We are looking ahead

We are taking steps towards the future, including the recruitment of a Director of Service Delivery to implement our new beneficiary strategy. The implementation of the new strategy will see the digitisation of the delivery of our services meeting the needs of our clients and VCS partners.

Our steps towards the future are bold. We know from Government data that from April 2026, 780,000 people with business or property income over £50,000 will be required to join Making Tax Digital for Income Tax Self Assessment (MTD for ITSA), with a further 970,000 joining from April 2027. We are working towards delivering tailored services so that no-one is left to navigate these changes alone.

Our clients know we are on their side

'I just want to thank everyone who had a hand in helping to complete my paperwork, the calls, actually listening to me and not just rushing me off the phone. The level of communication was just wonderful and very helpful.

'I truly appreciate your kind way and your commitment to making sure I didn't have this stress hanging over my head. Thank you all so much.'

'The support that I had received was out of my expectations; I was lost I didn't know what to do before getting in touch with Tax Aid service. In addition, tax aid support helped me with my all problems and solved it professionally.'

'Really glad this service exists. Saved me mentally.'

'Hello, I want to thank you for your help, you are a team of professionals who are very easy to work with, kind and respectful. I recommend anyone to turn to you with confidence. Thank you very much'

Financial review

Summary of position

The statement of Financial Activities for the year on page 13 shows a surplus of income over expenditure in the year of £111,493 (2023/24 – surplus £98,055). Income increased by around £104,000 which was largely offset by an increase in expenditure of around £91,000 (both figures exclude gifts in kind).

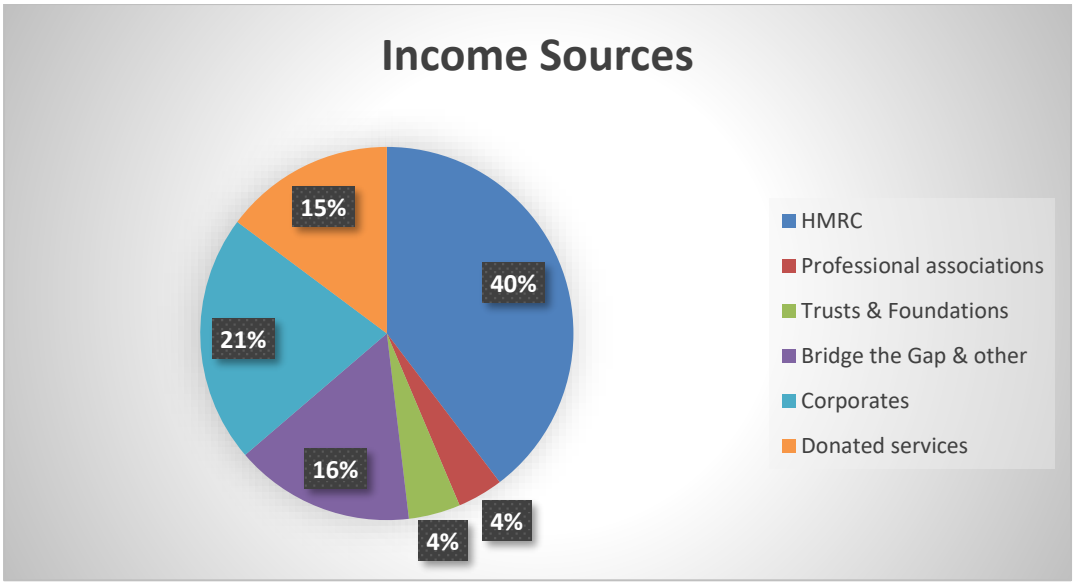
Income

Income in the year ended 31 March 2025 (excluding donated services and facilities) amounted to £903,762, an increase of 13% over the previous year.

As reported last year, we were successful in being awarded a grant from HMRC for a further three-year period, running to 31 March 2027. This amounts to £470,000 pa. In 2024-25 we benefited from an extra payment of £22,768.

There was a notable increase in support from professional firms and corporates in the year.

The total income from each source is shown below.



Expenditure

Expenditure in the year ended 31 March 2025 (excluding donated services and facilities) amounted to £792,270, an increase of 13% over the previous year.

Staff costs increased, reflecting the need to pay higher salaries in the light of inflation and in line with our status as a Real Living Wage employer.

Expenditure also included some one-off costs associated with the merger with Tax Help for Older People that took place on 30 June 2025.

Reserves policy

Our policy is to hold sufficient free reserves to enable the charity to respond to significant opportunities, absorb financial setbacks, and provide time to adjust to new circumstances or a changing environment as necessary. Taking into account the risks relating to the sustainability of funding, we consider that an appropriate level of free reserves is one that provides a cushion equivalent to three to six months' operating expenditure.

The free reserves at 31 March 2025 were £350,751 which is just over five months' expected expenditure for the current year. However, note the impact of merger covered below.

The trustees have earmarked a portion of the unrestricted funds to cover the potential costs of redundancy costs and payments in lieu of notice in the event that operations had to cease. This designated fund totalled £202,403 at the year end.

Impact of merger

After this financial period, on 30 June 2025, the charity acquired the assets, liabilities and operations of Tax Volunteers (trading as Tax Help for Older People) which was a sister charity that held similar charitable objectives.

The impact of this on TaxAid is that its annual income and expenditure are expected to grow by at least 70%. Its reserves will similarly be bolstered by a donation from Tax Volunteers as part of the merger.

Taking these factors into account, we estimate that the free reserves of the charity post-merger will be equivalent to around four months' expected annual expenditure.

Risk

The risks are managed by the periodic monitoring of the risk register which identifies the key risks and plans their mitigation.

The primary risk facing the charity is financial instability created by the uncertainty around medium- to long-term funding. This arises from receiving substantial funding from one source, HMRC, but this is mitigated by diversifying income streams.

Our financial management procedures include the preparation of an annual budget and forecast with quarterly reporting against budget provided to the Board.

The trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

Structure, governance and management

The charity is managed by the Board of Trustees which meets quarterly.

The directors of the charitable company are its trustees for the purposes of charity law. The names of the trustees who were in office during the year are listed on page 1. All members of the Trustee Board gave their time voluntarily and received no benefits from the charity.

The total number of trustees must not be less than three and no more than ten. New trustees are identified with the necessary specialist expertise and appropriate charitable, commercial, tax and legal experience to enrich the standing Board and are given induction and training by the current post holders. Trustees shall retire by rotation in accordance with the provisions of the Memorandum and Articles of association. Any person so retiring shall be eligible for reappointment as a trustee.

Day-to-day management is delegated to our Chief Executive who is supported by the Senior Management Team whose responsibility is to work to the strategic plan which contains business, financial and service objectives.

Remuneration for key management is set with reference to market rates for similar roles and responsibilities in the charitable sector, taking account of geographical differences.

During the reporting period TaxAid continued to work closely with Tax Help for Older People, sharing a joint management team and back office services. After the end of the reporting period on 30 June 2025, TaxAid merged with Tax Volunteers, which traded under the name Tax Help for Older People, both trading names were retained in an interim period until a new brand core and visual identity were developed and the merged charity settled on a single trading name, TaxAid.

Disclosure of information to auditor

Each trustee has taken the required steps to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of TaxAid UK for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 10/12/25 and signed on its behalf by:



Kevin Nicholson (Chair)

TaxAid UK

Independent Auditor's Report to the Members of TaxAid UK

Opinion

We have audited the financial statements of TaxAid UK (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of TaxAid UK

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Independent Auditor's Report to the Members of TaxAid UK

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thompson Jenner LLP

Mr David Tucker (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

1 Colleton Crescent
Exeter
Devon
EX2 4DG

Date: 17/12/25

TaxAid UK

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

2025	Note	Unrestricted £	Restricted £	Total 2025 £
Income and Endowments from:				
Donations and legacies	3	317,055	50,750	367,805
Charitable activities	4	323,157	522,768	845,925
Investment income	5	13,189	-	13,189
Total Income		653,401	573,518	1,226,919
Expenditure on:				
Charitable activities	6	(529,937)	(585,489)	(1,115,426)
Total Expenditure		(529,937)	(585,489)	(1,115,426)
Net income/(expenditure)		123,464	(11,971)	111,493
Transfers between funds		538	(538)	-
Net movement in funds		124,002	(12,509)	111,493
Reconciliation of funds				
Total funds brought forward		429,277	13,259	442,536
Total funds carried forward	18	553,279	750	554,029

2024	Note	Unrestricted £	Restricted £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	266,079	48,000	314,079
Charitable activities	4	281,668	484,847	766,515
Investment income	5	445	-	445
Total Income		548,192	532,847	1,081,039
Expenditure on:				
Charitable activities	6	(450,137)	(532,847)	(982,984)
Total Expenditure		(450,137)	(532,847)	(982,984)
Net income		98,055	-	98,055
Net movement in funds		98,055	-	98,055
Reconciliation of funds				
Total funds brought forward		331,222	13,259	344,481
Total funds carried forward	18	429,277	13,259	442,536

All of the charity's activities derive from continuing operations during the above two periods.

TaxAid UK

(Registration number: 03374001)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	125	707
		125	707
Current assets			
Debtors	13	28,411	116,050
Cash at bank and in hand	14	646,865	417,888
		675,276	533,938
Creditors: Amounts falling due within one year	15	(121,372)	(92,109)
Net current assets		553,904	441,829
Net assets		554,029	442,536
Funds of the charity:			
Restricted		750	13,259
Unrestricted income funds			
Unrestricted		553,279	429,277
Total funds	18	554,029	442,536

The financial statements on pages 13 to 31 were approved by the trustees, and authorised for issue on 10/12/25 and signed on their behalf by:

.....

Kevin Nicholson
Chair and trustee

TaxAid UK

Statement of Cash Flows for the Year Ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income		111,493	98,055
Adjustments to cash flows from non-cash items			
Depreciation		582	874
Investment income	5	(13,189)	(445)
		98,886	98,484
Working capital adjustments			
Decrease in debtors	13	87,639	105,525
Increase/(decrease) in creditors	15	29,263	(36,817)
Net cash flows from operating activities		215,788	167,192
Cash flows from investing activities			
Interest receivable and similar income	5	13,189	445
Net increase in cash and cash equivalents		228,977	167,637
Cash and cash equivalents at 1 April		417,888	250,251
Cash and cash equivalents at 31 March		646,865	417,888

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The charity is incorporated in England and Wales and its registered office is 30 Monck Street, London, SW1P 2AP.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation
TaxAid UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments
Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income recognised in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services, professional qualified tax personnel or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations of gifts, services and facilities include seconded employees, IT software and office space. Seconded staff's services are provided free of charge to the charity and the cost of their salary is incurred by a third party. IT software and office space are included at their estimate market value when donated.

Investment income

Bank interest is recognised once the interest has been received

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the personnel involved with each activity.

Advice services	75%
Tax education	9%
Cost of raising funds	10%
Governance costs	6%

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations
The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted			
	General £	Restricted £	Total 2025 £	Total 2024 £
Donations and legacies:				
Donations from professional firms and supporters	239,000	-	239,000	164,000
Other donations	78,055	50,750	128,805	150,079
	317,055	50,750	367,805	314,079

Of the total income from donations and legacies in 2024, £266,079 was unrestricted and £48,000 was restricted.

Summary of donations from professional firms and supporters

	2025 £	2024 £
Deloitte	50,000	50,000
EY	50,000	20,000
KPMG	50,000	50,000
PWC	50,000	30,000
Fujitsu	20,000	-
Blick Rothenberg	10,000	10,000
RSM UK	3,000	-
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	6,000	4,000
	239,000	164,000

Other donations includes 50% of the following amounts greater than £3,000 from organisations received through Bridge The Gap. This is a joint initiative set up by TaxAid UK and its sister charity Tax Help For Older People, whereby amounts received are split equally between the two charities.

	2025 £	2024 £
Chartered Institute of Taxation (CPD Events)	26,546	26,171
Proskauer Rose	10,000	5,000
London Legal Support	7,203	-
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	-	4,000
Kathleen Beryl Sleigh Charitable Trust	-	10,000
Freshfields	-	9,998
BDO	-	7,755

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Advice services				
HM Revenue & Customs	-	492,768	492,768	454,847
Donations of gifts, services and facilities	323,157	-	323,157	281,668
	323,157	492,768	815,925	736,515
Tax education				
Chartered Institute of Taxation	-	30,000	30,000	30,000
	-	30,000	30,000	30,000
Income from charitable activities 2025	323,157	522,768	845,925	766,515
Income from charitable activities 2024	281,668	484,847	766,515	

5 Investment income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Interest receivable and similar income;			
Interest receivable on bank deposits	13,189	13,189	445

6 Expenditure on charitable activities

	Cost of raising funds	Advice services	Education	Governance costs	Support costs	2025	2024
	£	£	£	£	£	£	£
Staff costs	39,988	286,473	34,575	24,196	251,515	636,748	590,763
Gifts in kind	-	323,157	-	-	-	323,157	281,668
Premises and other costs	3,726	26,694	3,222	2,254	23,436	59,332	55,629
Website, ICT and equipment costs	2,905	20,812	2,512	1,758	18,275	46,263	35,869
Legal, insurance and professional	2,650	18,983	2,290	1,603	16,667	42,193	14,253
Communication and travel	321	2,303	278	194	2,023	5,119	4,135
Other costs	-	-	-	-	2,615	2,615	667
	49,590	678,422	42,877	30,005	314,531	1,115,426	982,984
Support costs	31,453	235,898	28,308	18,872	(314,531)	-	-
Governance costs	5,376	38,613	4,888	(48,877)	-	-	-
Total expenditure 2025	86,419	952,933	76,073	-	-	1,115,426	982,984
Total expenditure 2024	72,091	859,387	51,506	-	-	982,984	

£529,937 (2024:£450,137) of above expenditure was attributable to unrestricted funds and £585,489 (2024: £532,847) to restricted funds.

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2025 £	2024 £
Operating leases - other assets	(36,000)	(36,000)
Audit fees	(7,500)	(6,300)
Depreciation of fixed assets	(582)	(874)

8 Trustees remuneration and expenses

No trustees, nor any persons connected with any trustee, has received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	552,862	514,396
Social security costs	47,228	46,991
Pension costs	9,220	8,914
Other staff costs	27,438	20,462
	636,748	590,763

The monthly average number of persons (including senior management team) employed by the charity during the year was 17 (2024 - 19).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Raising funds	0.63	0.62
Advice services	4.51	4.53
Tax education	0.55	0.40
Support	3.96	3.94
Governance	0.38	0.40
	10.03	9.88

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £46,212 (2024 - £44,562).

10 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	7,500	6,300
Other fees to auditors		
All other non-audit services	-	3,432

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 April 2024	3,542	3,542
At 31 March 2025	3,542	3,542
Depreciation		
At 1 April 2024	2,835	2,835
Charge for the year	582	582
At 31 March 2025	3,417	3,417
Net book value		
At 31 March 2025	125	125
At 31 March 2024	707	707

13 Debtors

	2025 £	2024 £
Trade debtors	1,231	60,621
Prepayments and accrued income	27,180	41,676
Other debtors	-	13,753
	28,411	116,050

14 Cash and cash equivalents

	2025 £	2024 £
Cash on hand	-	333
Cash at bank	646,865	417,555
	646,865	417,888

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	50,570	2,698
Other taxation and social security	27,651	21,318
Other creditors	28,151	46,964
Accruals and deferred income	15,000	21,129
	121,372	92,109

	2025 £	2024 £
Deferred income at 1 April 2024	7,500	7,500
Resources deferred in the period	-	-
Amounts released from previous periods	-	-
Deferred income at year end	7,500	7,500

16 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Land and buildings		
Within one year	9,000	9,000

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £9,220 (2024 - £8,914).

Contributions totalling £4,340 (2024 - £3,368) were payable to the scheme at the end of the year and are included in creditors.

18 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
General					
General	248,238	653,401	(529,355)	(21,533)	350,751
Designated					
Capital depreciation	707	-	(582)	-	125
Contingency funds	180,332	-	-	22,071	202,403
	181,039	-	(582)	22,071	202,528
Total unrestricted funds	429,277	653,401	(529,937)	538	553,279
Restricted funds					
Governance	1,071	-	(1,071)	-	-
Advice services	538	543,518	(542,768)	(538)	750
Tax education	11,650	30,000	(41,650)	-	-
Total restricted funds	13,259	573,518	(585,489)	(538)	750
Total funds	442,536	1,226,919	(1,115,426)	-	554,029

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General					
General	329,641	548,192	(449,263)	(180,332)	248,238
Designated					
Capital depreciation	1,581	-	(874)	-	707
Contingency funds	-	-	-	180,332	180,332
	1,581	-	(874)	180,332	181,039
Total unrestricted funds	331,222	548,192	(450,137)	-	429,277
Restricted					
Governance	1,071	-	-	-	1,071
Advice services	538	502,847	(502,847)	-	538
Tax education	11,650	30,000	(30,000)	-	11,650
Total restricted funds	13,259	532,847	(532,847)	-	13,259
Total funds	344,481	1,081,039	(982,984)	-	442,536

The specific purposes for which the funds are to be applied are as follows:

Advice services
This fund represents income which is for delivering the main charitable purpose of TaxAid UK, that of advising low income clients and the generalist voluntary sector on tax matters.

Tax education
This fund represents income provided to improve access to information on tax so that those on low incomes are aware of their rights and responsibilities under the tax system. It is delivered through training, printed material and guides, and the TaxAid UK website.

Capital depreciation fund
This designated fund represents the net book value of assets purchased from unrestricted funds to be depreciated in the future years over the assets useful economic life.

Contingency funds
This designated fund represents the calculated statutory redundancy costs and payment in lieu of notice that would be payable should the charitable company cease to operate.

19 Analysis of net assets between funds

	Unrestricted funds £	Designated £	Restricted funds £	Total funds at 31 March 2025 £
Tangible fixed assets	-	125	-	125
Current assets	472,123	202,403	750	675,276
Current liabilities	(121,372)	-	-	(121,372)
Total net assets	350,751	202,528	750	554,029

	Unrestricted funds £	Designated £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	-	707	-	707
Current assets	340,347	180,332	13,259	533,938
Current liabilities	(92,109)	-	-	(92,109)
Total net assets	248,238	181,039	13,259	442,536

20 Analysis of net funds

	At 1 April 2024 £	Financing cash flows £	At 31 March 2025 £
Cash at bank and in hand	417,888	228,977	646,865
Total	417,888	228,977	646,865

	At 1 April 2023 £	Financing cash flows £	At 31 March 2024 £
Cash at bank and in hand	250,251	167,637	417,888
Total	250,251	167,637	417,888

21 Related party transactions

Donations were received from KPMG, where Victoria Heard is a partner. The total of these donations amount to £51,150 (2024 - £50,000).

Donations were received from Trustees during the year totalling £1,100 (2024 - £11,200). These donations were shared with Tax Volunteers. No restrictions have been attached to these donations.

TaxAid UK operated the payroll on behalf of Tax Volunteers during the year. Payroll costs for the year and recharged from TaxAid UK to Tax Volunteers totalled £585,441 (2024 - £470,709). No amounts were outstanding at the year end in respect of payroll costs.

During the year, net income totalling £66,858 (2024 - £85,405) was collected by TaxAid UK on behalf of Tax Volunteers. At the year end, the amount due to Tax Volunteers, included in other creditors in the financial statements, was £16,547 (2024 - £15,182). A further £nil (2024 - £21,163) included within other creditors is due to Tax Volunteers in relation to recharged shared costs and £nil (2024 - £19,373) included within debtors is due from Tax Volunteers in relation to recharged shared costs.

22 Non-adjusting events after the financial period

On 30 June 2025, TaxAid UK acquired the assets, liabilities and operations of Tax Volunteers (Charity Number: 1102276) which was a sister charity that held similar charitable objectives.

TAXAID UK

England & Wales - Charity number 1062852

Accounts

Company registration number: 03374001
Charity registration number: 1062852

TaxAid UK

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Thompson Jenner LLP
Statutory Auditors
1 Colleton Crescent
Exeter
Devon
EX2 4DG

TaxAid UK

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TaxAid UK

Reference and Administrative Details

Chair	Kevin Nicholson
Trustees	Stephen Banyard Kevin Nicholson Jonathan Peacock KC Paul Morton Emma Clarke Nicholas Edwards Victoria Heard Matthew Ellis
Chief Executive Officer	Valerie Boggs
Charity Registration Number	1062852
Company Registration Number	03374001
Registered Office	30 Monck Street London SW1P 2AP
Auditor	Thompson Jenner LLP Statutory Auditors 1 Colleton Crescent Exeter Devon EX2 4DG
Bankers	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA

TaxAid UK

Chair's Report for the Year Ended 31 March 2024

There has been a great deal of focus over the last year on the "cost of living crisis" and its impact on heating homes, the cost of food in the supermarkets, soaring rents and finding suitable housing. Among all of this, Tax is not an obvious challenge facing some of the poorest in society. Tax features at times of elections and budgets but the debate is often focused around how to tax those with the broadest shoulders and what burden they should bear.

But the tax system applies to everyone in some way and often impacts most on those who are least able to deal with the increasing complexity and who don't know where to turn for help.

TaxAid helps people on low incomes understand the tax system as it applies to them, pay only the right amount of tax and help them resolve crises when things go wrong. It is a small charity, but the work of its staff and volunteers has an enormous impact on the lives of those it helps. People who have have lost jobs due to health issues, those who take on multiple jobs to earn a living with numerous and apparently confusing and competing tax demands; and those that have been receiving demands been too frightened to ask for help. Please take time to read Kerry's story in the Trustees report and reach out to us here at TaxAid www.taxaid.org.uk for more examples of how the Charity helps thousands of people like Kerry every year.

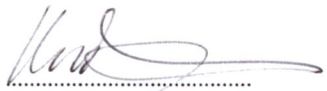
I said last year that the Charity was looking to the future. There have been four key projects this year looking at how we best meet the needs of beneficiaries in the future, how we unlock the potential to do even more with the funds available, how we work even closer with our sister charity Tax Help for Older People, how we should be governed and how we broaden our support across the profession. It is already making a difference within the organisation and allowing us to respond more quickly to increases in demand; such as when the HMRC Helpline closed for a period in the summer. We will continue that work and report back to you next year.

TaxAid has an amazing senior management team led by Valerie Boggs; with staff who are dedicated to making a difference to all they help. They also work with HMRC to identify areas of the tax system that can be improved to make it easier for those on low incomes to comply. We are also supported by hundreds of volunteers who give their time to support the charity in many different ways.

We are indebted to HMRC for continued financial support and also to Deloitte, EY, KPMG and PwC along with BDO and other firms and organisations such as Blick Rothenberg, the Chartered Institute of Taxation and the the Worshipful Company of Tax Advisors; as well as trusts and foundations such as City Bridge Trust in London and the many individuals who give donations and their time. Without this support the Charity could not exist.

TaxAid and Tax Help for Older People are in many ways the charities for the tax profession. Their work doesn't have the same exposure as many other areas of charity work. But it is vital work and an opportunity for those in the profession to "give something back". We are looking to increase the number of firms and individuals across the profession who support the Charity. Please get in touch if you think you can help.

The strategic report was approved by the trustees of the charity on 18 November 2024 and signed on its behalf by:



.....

Kevin Nicholson
Chair and trustee

TaxAid

Trustees' Report

The trustees, who are directors for the purpose of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2024. Reference and administrative information set out on page 1 forms part of this report. The charity is a company limited by guarantee and a registered charity, its governing documents are its memorandum and articles of association.

The charity's formal objectives are:

- To provide advice and assistance in tax and financial matters to persons in financial need
- To advance public education about all aspects of tax and tax debt

Public benefit and how our activities deliver it

We have a duty to report on our organisation's public benefit under S.4 of the Charities Act 2011. We are confident that we meet those public benefit requirements having taken into consideration the Charity Commission guidance.

Our vision is: 'To provide tax advice to all who need it'

We support people to people before retirement or self employed of all ages who are in financial poverty, including that created by debt and those experiencing other hardships or disadvantages. Many have mental or physical health problems.

We provide support for our beneficiaries by the provision of tax information and advice as well as direct intervention by submitting forms, claims, elections and appeals as appropriate to HMRC.

When possible, we enable our beneficiaries to help themselves and give them the tools and capability to have ownership of and manage their tax affairs in the future, tailoring our service to individual tax and personal circumstances.

When our community highlights issues we cannot resolve, such as fraud or external systemic issues, we work with HMRC to address these concerns.

In addition we work closely with partners in the voluntary and community sector through an outreach programme to strengthen referrals to our service and educate partners about tax to reach more of people and ensure that people with tax problems who cannot otherwise access support have a route to a fair outcome.

We believe therefore that we meet the public benefit requirements through our beneficiary led tailored service which maximises the reach of our service.

Objectives, activities and impact

Our objective as a charity is to help people in poverty understand their tax better and to empower them to be able to manage their tax themselves. We are led by the needs of our beneficiaries.

We reduce poverty by supporting people to pay the right amount of tax.

We do this by:

- **Providing step-by-step support to help people to resolve their tax problem.** In the year to 31 March 2024, this help was provided to **6,550** people, leading to improved financial circumstances and enabling our beneficiaries to have a better understanding of their tax position and how to manage their tax affairs in the future.

- **Investigating tax debt and challenging it when erroneous or where there are legitimate grounds to do so.** During the year, our investigations and appeals resulted in **£928,562** of tax debt being written off, improving financial wellbeing and reducing or preventing poverty. It is our expertise in providing emphatic support together with our knowledge of tax administration enables that enables us to resolve tax debt issues.

- **Improving the current financial position of disadvantage people through taxes written off and refunds generated.** Advice and case work generated tax refunds of **£120,725** in the year to 31 March 2024.

We aim to ensure that no one is disadvantaged by the tax system just because they cannot access the help they need.

We do this by

- **Providing support that recognises individual needs and circumstances and never leaves a case unresolved.**

  Each caller was supported with advice from our trained staff and provided accessible resources giving our callers a better understanding of their tax affairs and how to manage them. Where needed, a volunteer tax adviser provided further support to resolve their problem directly with HMRC.

- **Reaching out to disadvantaged communities through partnership with other voluntary and community sector organisations.**

  In the past year, we have been working to improve access to our services by delivering outreach to voluntary and community sector (VCS) partners, educating them about our service and why, how and when to refer clients to us.

- **Using our reputation and the learning gained to influence the tax ecosystem for the benefit of those we support.**

  We advocate for our beneficiary group at relevant HMRC user groups, working with partners in the tax industry to highlight issues and the impact of tax policy and tax administration.

  We also faced a significant challenge in 2023 when the unexpected closure of HMRC's self assessment helpline caused a significant and unforeseeable peak in demand in June 2023 for 3 months. The demand placed significant strain on our services at very short notice but was managed through the outstanding commitment of staff and volunteers.

We contribute to the better long-term economic security by empowering people to manage their tax affairs

- **We build confidence by accompanying our beneficiaries as they take charge of their tax affairs.**

  Our helpline provides immediate support and advice from trained, empathetic staff, enabling many beneficiaries to understand and manage their affairs. When further support is needed, 120 volunteer tax experts across the UK are able to provide case work that is individual and accessible.

- **Help people to understand their taxes and where to find accessible and reliable resources and information**

  TaxAid regards the education of its beneficiaries about their tax affairs as critical to the support we provide. When we provide help to a person in need of help with their tax, we not only help them to resolve that particular problem but also help them understand why the problem has arisen and how to manage their tax affairs in the future. So, each person who contacts us for help, is supported to better understand their taxes so they can manage their affairs in future or know where to get the help they need. One of the key resources that we refer our beneficiaries to is the LITRG website.

  We help people like Kerry.

  In 2023, Kerry, was referred to us from Citizen's Advice with a tax debt of £9,565. She had an income of just £12,000 per year from a zero hours' contract and no savings— so she was worried about how she could ever repay this unexpected debt. Kerry works in the care sector and although her English language skills had improved since she moved from Ethiopia and started work in London in 2017, she needed an interpreter and struggled to understand her taxes and letters from HMRC. She had always received payslips and had assumed she was paying the right amount through her salary.

  We discovered that Kerry's tax debt had accumulated over a number of years (2018-2022) after she took a job with a second care provider. The problem arose because of errors when she started with her new employer— leading to her Personal Allowance being claimed twice. This led to the underpayment of PAYE.

  We appealed the tax debt with HMRC but this was unsuccessful. We then made a second appeal on the grounds of hardship and this time we were successful and Kerry's tax debt was cancelled. HMRC wrote to Kerry to inform her of their decision but she could not understand the letter. So, when we called to let her know she was hugely grateful.

- **Respond to issues raised by our community both through the advice we deliver and advocacy with HMRC**

  TaxAid has a positive and cooperative relationship with HMRC, built over many years for the benefit of those we support. We share the trends that we see on the helpline and help to provide HMRC with an understanding of the barriers people in poverty can experience when trying to overcome tax problems.

  We attend workshops and consultation discussions, participate in forums and other meetings with HMRC, and we are able to better advocate for our beneficiaries because of this close mutually beneficial relationship. Our relationship with HMRC ensures they will alert us when they plan to communicate on certain issues, where these issues will be likely to lead to more queries on our helpline. We can then be ready with help, guidance, and reassurance for those who are most in need.

  We want to ensure that the tax issues that are specific to people in poverty are brought to the attention of HMRC, to drive the change and action that can help resolve these issues in the long-term.

We helped over 6500 people in 2023/24 but we want to help more and to be led by the needs of all our beneficiaries. To do this we are undertaking a beneficiary assessment, using research to inform our understanding of the current and future needs of our beneficiaries. We will use this to inform our future strategy working towards our vision to provide tax help to all who need it.

Financial review

Summary of position

The statement of Financial Activities for the year on page 13 shows a surplus of income over expenditure in the year of £98,055 (2022/23 – surplus £62,154). Income increased by around £55,000 which was offset in part by an increase in expenditure of around £19,000 (both figures exclude gifts in kind).

Income

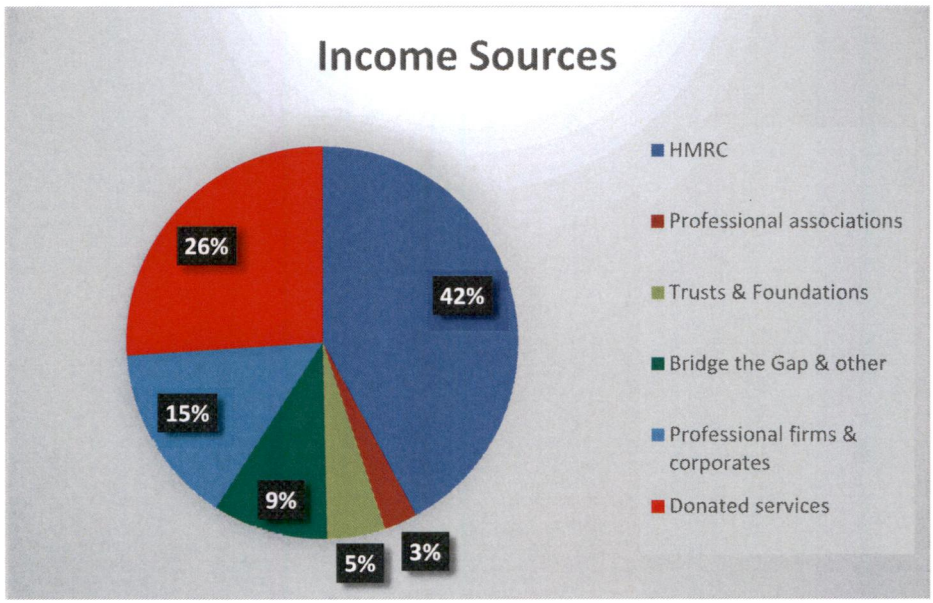
HMRC funding comprised the final year of its three-year grant period.

We are pleased to report that we have been successful in being awarded a grant from HMRC for a further three years, running to 31 March 2027. This amounts to £470,000 pa.

TaxAid received funding from the CIOT with the specific purpose of advancing tax education.

In the light of the cost-of-living crisis, funding applications took longer than usual to be considered given the pressure on trusts and foundations.

The total income from each source is shown below.



Expenditure

Expenditure in the year ended 31 March 2024 (excluding donated services and facilities) amounted to £701,317, an increase of 3% over the previous year. This was primarily due to increased staff costs which reflect the need to pay higher salaries in the light of inflation.

Reserves

The free reserves at 31 March 2024 are £248,945 which is just under four months' expected expenditure for the current year. This position is in line with our reserves policy which is to:

- Provide stability and the means for the development of the charity's principal objects; and
- In the long term, achieve a sufficient level to provide a cushion equivalent to three to six months' operating cash expenditure.

Risk

The risks are managed by the periodic monitoring of the risk register which identifies the key risks and plans their mitigation.

The primary risk facing the charity is financial instability created by the uncertainty around medium- to long-term funding. This arises from receiving substantial funding from one source, HMRC, but this is mitigated by diversifying income streams.

Our financial management procedures include the preparation of an annual budget and forecast with quarterly reporting against budget provided to the Board.

The trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

Structure, governance and management

The charity is managed by the Board of Trustees which meets quarterly.

The directors of the charitable company are its trustees for the purposes of charity law. The names of the trustees who were in office during the year are listed on page 1. All members of the Trustee Board gave their time voluntarily and received no benefits from the charity.

The total number of trustees must not be less than three and no more than ten. New trustees are identified with the necessary specialist expertise and appropriate charitable, commercial, tax and legal experience to enrich the standing Board and are given induction and training by the current post holders. Trustees shall retire by rotation in accordance with the provisions of the Memorandum and Articles of association. Any person so retiring shall be eligible for reappointment as a trustee.

Day-to-day management is delegated to our Chief Executive who is supported by the Senior Management Team whose responsibility is to work to the strategic plan which contains business, financial and service objectives.

TaxAid continues to work closely with Tax Help for Older People and the two charities have a joint Senior Management Team. In addition to the cost-efficiencies achieved through sharing back office services, this facilitates synergy between them.

Remuneration for key management is set with reference to market rates for similar roles and responsibilities in the charitable sector, taking account of geographical differences.

Disclosure of information to auditor

Each trustee has taken the required steps to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of TaxAid UK for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

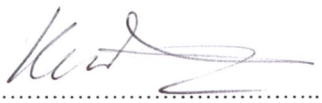
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 18 November 2024 and signed on its behalf by:



Kevin Nicholson (Chair)

TaxAid UK

Independent Auditor's Report to the Members of TaxAid UK

Opinion

We have audited the financial statements of TaxAid UK (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of TaxAid UK

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the (set out on page 3), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of TaxAid UK

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Independent Auditor's Report to the Members of TaxAid UK

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thompson Jenner LLP

Mr David Tucker (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

1 Colleton Crescent
Exeter
Devon
EX2 4DG

Date: 2 December 2024

TaxAid UK

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

2024	Note	Unrestricted £	Restricted £	Total 2024 £
Income and Endowments from:				
Donations and legacies	3	266,079	48,000	314,079
Charitable activities	4	281,668	484,847	766,515
Investment income	5	445	-	445
Total Income		548,192	532,847	1,081,039
Expenditure on:				
Charitable activities	6	(450,137)	(532,847)	(982,984)
Total Expenditure		(450,137)	(532,847)	(982,984)
Net income		98,055	-	98,055
Net movement in funds		98,055	-	98,055
Reconciliation of funds				
Total funds brought forward		331,222	13,259	344,481
Total funds carried forward	18	429,277	13,259	442,536

2023	Note	Unrestricted £	Restricted £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	289,761	-	289,761
Charitable activities	4	382,937	454,578	837,515
Investment income	5	295	-	295
Total Income		672,993	454,578	1,127,571
Expenditure on:				
Charitable activities	6	(622,489)	(442,928)	(1,065,417)
Total Expenditure		(622,489)	(442,928)	(1,065,417)
Net income		50,504	11,650	62,154
Net movement in funds		50,504	11,650	62,154
Reconciliation of funds				
Total funds brought forward		280,718	1,609	282,327
Total funds carried forward	18	331,222	13,259	344,481

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 18.

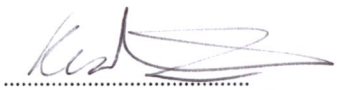
The notes on pages 16 to 30 form an integral part of these financial statements.

TaxAid UK

(Registration number: 03374001)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	707	1,581
		707	1,581
Current assets			
Debtors	13	116,050	221,575
Cash at bank and in hand	14	417,888	250,251
		533,938	471,826
Creditors: Amounts falling due within one year	15	(92,109)	(128,926)
Net current assets		441,829	342,900
Net assets		442,536	344,481
Funds of the charity:			
Restricted		13,259	13,259
Unrestricted income funds			
Unrestricted		429,277	331,222
Total funds	18	442,536	344,481

The financial statements on pages 13 to 30 were approved by the trustees, and authorised for issue on 18 November 2024 and signed on their behalf by:



Kevin Nicholson
Chair and trustee

TaxAid UK

Statement of Cash Flows for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash income		98,055	62,154
Adjustments to cash flows from non-cash items			
Depreciation		874	1,080
Investment income	5	(445)	(295)
		98,484	62,939
Working capital adjustments			
Decrease/(increase) in debtors	13	105,525	(81,619)
(Decrease)/increase in creditors	15	(36,817)	27,004
Net cash flows from operating activities		167,192	8,324
Cash flows from investing activities			
Interest receivable and similar income	5	445	295
Purchase of tangible fixed assets	12	-	(904)
Sale of tangible fixed assets		-	1
Net cash flows from investing activities		445	(608)
Net increase in cash and cash equivalents		167,637	7,716
Cash and cash equivalents at 1 April		250,251	242,535
Cash and cash equivalents at 31 March		417,888	250,251

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The charity is incorporated in England and Wales and its registered office is 30 Monck Street, London, SW1P 2AP.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

TaxAid UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income recognised in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services, professional qualified tax personnel or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations of gifts, services and facilities include seconded employees, IT software and office space. Seconded staff's services are provided free of charge to the charity and the cost of their salary is incurred by a third party. IT software and office space are included at their estimate market value when donated.

Investment income

Bank interest is recognised once the interest has been received

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the personnel involved with each activity.

Advice services	77%
Tax education	7%
Cost of raising funds	9%
Governance costs	7%

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line
Fixtures and fittings	6 years straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations
The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from professional firms and supporters	164,000	-	164,000
Other donations	102,079	48,000	150,079
Total for 2024	266,079	48,000	314,079
Total for 2023	289,761	-	289,761

Summary of donations from professional firms and supporters

	2024 £	2023 £
Deloitte	50,000	30,000
EY	20,000	20,000
KPMG	50,000	40,000
PWC	30,000	60,000
Fujitsu	-	20,000
Blick Rothenberg	10,000	-
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
	164,000	174,000

For the year ended 31 March 2025, Deloitte, EY, KPMG and PWC have committed to providing donations of £50,000 each.

Other donations includes 50% of the following amounts greater than £3,000 from organisations received through Bridge The Gap. This is a joint initiative set up by TaxAid UK and its sister charity Tax Help For Older People, whereby amounts received are split equally between the two charities.

	2024 £	2023 £
Virtual CPD Events	26,171	18,882
Kathleen Beryl Sleigh Charitable Trust	10,000	5,000
Deloitte	-	14,352
London Legal Support	-	3,537
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
Norton Rose Fulbright	-	5,000
Freshfields	9,998	-
BDO	7,755	-
Proskauer Rose	5,000	-

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Advice services				
HM Revenue & Customs	-	454,847	454,847	411,183
Donations of gifts, services and facilities	281,668		281,668	382,937
University of Edinburgh	-	-	-	1,745
	281,668	454,847	736,515	795,865
Tax education				
Chartered Institute of Taxation	-	30,000	30,000	30,000
Association of Taxation Technicians (ATT)	-	-	-	11,650
	-	30,000	30,000	41,650
Income from charitable activities 2024	281,668	484,847	766,515	837,515
Income from charitable activities 2023	382,937	454,578	837,515	

5 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	445	445	295

6 Expenditure on charitable activities

	Cost of raising funds	Advice services	Education	Governance costs	Support costs	2024 Total	2023 Total
	£	£	£	£	£	£	£
Staff costs	35,446	271,751	23,631	23,630	236,305	590,763	562,858
Gifts in kind	-	281,668	-	-	-	281,668	382,937
Premises and other costs	3,338	25,590	2,225	2,225	22,251	55,629	61,070
Website, ICT and equipment costs	2,152	16,499	1,435	1,435	14,348	35,869	39,335
Legal, insurance and professional	855	6,556	570	571	5,702	14,254	11,374
Communication and travel	248	1,903	165	165	1,654	4,135	4,970
Other costs	-	-	-	-	667	667	689
Research and consultancy	-	-	-	-	-	-	2,184
	42,039	603,967	28,026	28,026	280,927	982,984	1,065,417
Support costs	25,283	216,314	19,665	19,665	(280,927)	-	-
Governance costs	4,769	39,107	3,815	(47,691)	-	-	-
Total expenditure 2024	72,091	859,388	51,506	-	-	982,984	1,065,417
Total expenditure 2023	70,499	944,811	50,107	-	-	1,065,417	

£450,137 (2023: £622,489) of the above expenditure was attributable to unrestricted funds and £532,847 (2023: £442,928) to restricted funds.

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024 £	2023 £
Operating leases - other assets	(36,000)	(36,923)
Audit fees	(6,300)	(6,000)
Depreciation of fixed assets	(874)	(1,080)

8 Trustees remuneration and expenses

No trustees, nor any persons connected with any trustee, has received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	514,396	477,087
Social security costs	46,991	43,213
Pension costs	8,914	15,815
Other staff costs	20,462	26,743
	590,763	562,858

The monthly average number of persons (including senior management team) employed by the charity during the year was 19 (2023 - 18).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Raising funds	0.6	0.6
Advice services	4.5	4.5
Tax education	0.4	0.4
Support	3.9	4.9
Governance	0.4	0.3
	9.8	10.7

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £44,562 (2023 - £43,332).

10 Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	6,300	6,000
Other fees to auditors		
All other non-audit services	3,432	3,611

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2023	648	3,542	4,190
Disposals	(648)	-	(648)
At 31 March 2024	-	3,542	3,542
Depreciation			
At 1 April 2023	621	1,988	2,609
Charge for the year	27	847	874
Eliminated on disposals	(648)	-	(648)
At 31 March 2024	-	2,835	2,835
Net book value			
At 31 March 2024	-	707	707
At 31 March 2023	27	1,554	1,581

13 Debtors

	2024 £	2023 £
Trade debtors	60,621	150,621
Prepayments and accrued income	41,676	53,659
Other debtors	13,753	17,295
	116,050	221,575

14 Cash and cash equivalents

	2024 £	2023 £
Cash on hand	333	333
Cash at bank	417,555	249,918
	417,888	250,251

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,698	1,057
Other taxation and social security	21,318	20,991
Other creditors	46,964	78,470
Accruals and deferred income	21,129	28,408
	92,109	128,926

	2024 £	2023 £
Deferred income at 1 April 2023	7,500	15,250
Resources deferred in the period	-	-
Amounts released from previous periods	-	(7,750)
Deferred income at year end	7,500	7,500

Deferred income relates to the BTG Gala Dinner which was cancelled as a result of Covid-19. The remaining balance is to be carried forward to enable attendance at a future event.

16 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Land and buildings		
Within one year	9,000	9,000

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £8,914 (2023 - £15,815).

Contributions totalling £3,368 (2023 - £4,685) were payable to the scheme at the end of the year and are included in creditors.

18 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
General					
General	329,641	548,192	(449,263)	(180,332)	248,238
Designated					
Capital depreciation	1,581	-	(874)	-	707
Designated fund	-	-	-	180,332	180,332
	1,581	-	(874)	180,332	181,039
Total unrestricted funds	331,222	548,192	(450,137)	-	429,277
Restricted funds					
Governance	1,071	-	-	-	1,071
Advice services	538	502,847	(502,847)	-	538
Tax education	11,650	30,000	(30,000)	-	11,650
Total restricted funds	13,259	532,847	(532,847)	-	13,259
Total funds	344,481	1,081,039	(982,984)	-	442,536

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General				
General	278,961	672,089	(621,409)	329,641
Designated				
Capital depreciation	1,757	904	(1,080)	1,581
Total unrestricted funds	280,718	672,993	(622,489)	331,222
Restricted				
Governance	1,071	-	-	1,071
Advice services	538	412,928	(412,928)	538
Tax education	-	41,650	(30,000)	11,650
Total restricted funds	1,609	454,578	(442,928)	13,259
Total funds	282,327	1,127,571	(1,065,417)	344,481

The specific purposes for which the funds are to be applied are as follows:

Advice services
This fund represents income which is for delivering the main charitable purpose of TaxAid UK, that of advising low income clients and the generalist voluntary sector on tax matters.

Tax education
This fund represents income provided to improve access to information on tax so that those on low incomes are aware of their rights and responsibilities under the tax system. It is delivered through training, printed material and guides, and the TaxAid UK website.

Designated funds
The designated fund represents the net book value of assets purchased from unrestricted funds to be depreciated in the future and calculated statutory redundancy costs and payment in lieu of notice that would be payable should the charitable company cease to operate.

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds at 31 March 2024 £
Tangible fixed assets	707	-	707
Current assets	520,679	13,259	533,938
Current liabilities	(92,109)	-	(92,109)
Total net assets	429,277	13,259	442,536

	Unrestricted funds £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	1,581	-	1,581
Current assets	458,567	13,259	471,826
Current liabilities	(128,926)	-	(128,926)
Total net assets	331,222	13,259	344,481

20 Analysis of net funds

	At 1 April 2023	Financing cash flows	At 31 March 2024
	£	£	£
Cash at bank and in hand	250,251	167,637	417,888
Total	250,251	167,637	417,888

	At 1 April 2022	Financing cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	242,535	7,716	250,251
Total	242,535	7,716	250,251

21 Related party transactions

Donations were received from KPMG, where Victoria Heard is a partner. The total of these donations amount to £50,000 (2023 - £40,000).

Donations were received from Trustees during the year totalling £11,200 (2023 - £12,220). These donations were shared with Tax Help For Older People. No restrictions have been attached to these donations.

TaxAid UK operated the payroll on behalf of Tax Help For Older People during the year. Payroll costs for the year and recharged from TaxAid UK to Tax Help For Older People totalled £470,709 (2023- £441,225). No amounts were outstanding at the year end in respect of payroll costs.

During the year, net income totalling £85,405 (2023 - £92,672) was collected by TaxAid UK on behalf of Tax Help For Older People. At the year end, the amount due to Tax Help For Older People, included in other creditors in the financial statements, was £15,182 (2023 - £36,277). A further £21,163 (2023 - £37,520) included within other creditors is due to Tax Help For Older People in relation to recharged shared costs and £19,373 (2023 - £23,461) included within debtors is due from Tax Help For Older People in relation to recharged shared costs.

TAXAID UK

England & Wales - Charity number 1062852

Accounts

Company registration number: 03374001

Charity registration number: 1062852

TaxAid UK

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

TaxAid UK

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TaxAid UK

Reference and Administrative Details

Chair	Kevin Nicholson
Trustees	Stephen Banyard Francesca Lagerberg Kevin Nicholson Jonathan Peacock KC Paul Morton Emma Clarke Nicholas Edwards Victoria Heard Matthew Ellis
Chief Executive Officer	Valerie Boggs
Charity Registration Number	1062852
Company Registration Number	03374001
Registered Office	30 Monck Street London SW1P 2AP
Auditor	Thompson Jenner LLP Statutory Auditors 1 Colleton Crescent Exeter Devon EX2 4DG
Bankers	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA

TaxAid UK

Chair's Report for the Year Ended 31 March 2023

This is my first report as the new Chair of TaxAid and as I reflect on the year I can't think of a time when the charity has been more relevant and important for our beneficiaries.

The tax system is becoming ever more complex and people are choosing, or having to, take on multiple jobs, sometimes with short contracts; creating more filing requirements and potential changes to their tax profile several times during the year. Alongside this the information to help people comply and the filing of returns is increasingly online; potentially creating increased challenges for those left behind.

We are also seeing more people facing the cost of living crisis and sometimes also dealing with mental health issues.

Against this complex environment the team at TaxAid and its network of volunteers provide a personal service to those who are most in need of help. We also benefit from the powerful alliance with the team at Tax Help for Older People who work alongside the TaxAid team. Anyone who has been fortunate enough to have experienced this service first hand will know just how it feels when they have shared their problems with someone who understands and can help.

Our CEO, Valerie Boggs, has brought together a strong senior management team and a first class set of advisors and helpline operators; working alongside a network of volunteers who give their time to help beneficiaries. You can read about how the charity has made a difference in the contributions from some of our beneficiaries in the Trustees' Report and on our website. And if you want to know about the work of the charity just contact us here at TaxAid.

None of this would be possible without your support. I'd like to thank HMRC, Deloitte, EY, KPMG and PwC, alongside the other major accounting firms and law firms, the Chartered Institute of Taxation, the Association of Tax Technicians, and the Worshipful Company of Tax Advisors, trusts and foundations, corporates including Fujitsu; and the hundreds of individuals who have supported our beneficiaries through one off cash donations, regular contributions, sponsored events, walks and events across the country. Every pound makes a difference.

I'd also like to thank the Board for all their support and in particular Stephen Banyard who stood down after 6 years as Chair. He leaves a great legacy as Chair and will continue as part of a fantastic team of trustees. And also thank you to Francesca Lagerberg who stood down as a trustee after 8 years but remains a committed supporter of the charity.

I would also like to recognise the incredible contribution made by Rosina Pullman, who was TaxAid's Director from 2001 to 2016 and who died on 12th September 2023 after a short illness.

As we look forward, Valerie is leading on a new strategy for the charity which is focused on the future needs of our beneficiaries. You will hear more about this important work in next year's Report.

But for now, thank you again for all your support.

The strategic report was approved by the trustees of the charity on 11/12/23 and signed on its behalf by:

.....

Kevin Nicholson
Chair and trustee

TaxAid UK

Trustees' Report

The trustees, who are directors for the purpose of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2023. Reference and administrative information set out on page 1 forms part of this report. The charity is a company limited by guarantee and a registered charity, its governing documents are its memorandum and articles of association.

The charity's formal objectives are:

- To provide advice and assistance in tax and financial matters to persons in financial need
- To advance public education about all aspects of tax and tax debt

Public benefit and how our activities deliver it

We have a duty to report on our organisation's public benefit under S.4 of the Charities Act 2011. We are confident that we meet those public benefit requirements having taken into consideration the Charity Commission guidance.

Our vision is: 'To provide tax advice to all who need it' We aim to achieve this by delivering the appropriate support to those in poverty, whether financial or by reference to other vulnerabilities, who would otherwise be unable to access help with tax problems. The assistance provided ranges from the provision of education through our third sector partners, to support on our helpline and our digital materials. We believe therefore that we meet the public benefit requirements through this comprehensive range of activities, delivered through different channels to maximise the numbers of people that we can help.

Our work with HMRC, as detailed below, illustrates the breadth of the benefit of our work across the wider public, beyond those who make direct contact with us.

Objectives, activities and impact

At the beginning of this year we were still facing the challenge of COVID-19 and the omicron variant, with its possible implications. Although by the end of the year the effects of the pandemic had subsided new challenges like the cost of living crisis took its place.

Our Direct support and its impact

Throughout the challenges our helpline supported people by phone and email. In 2022/23 we helped 6,373 callers and received 722 email enquiries from our beneficiaries.

The majority of these contacts present tax problems that can be resolved in just one phone call by our trained and compassionate staff. But complicated cases can take weeks or even months to resolve. However, for people in poverty, even the smallest saving can mean a lot, and a sudden tax bill can be devastating. We aim never to leave our beneficiaries with an unresolved case and we will work to ensure that our beneficiaries pay no more than the correct amount of tax.

In 2022/23 our beneficiaries received total refunds of £239,227 as a result of our intervention and our work achieved the cancellation of £753,811 in tax debt.

Tess's story

Tess's story demonstrates how a simple piece of tax knowledge can help someone in poverty by giving them more take home pay.

Despite not owning a computer, and struggling to fully understand her tax return forms, Tess diligently prepared her own tax returns for several years.

She had an annual income of less than £10,000, which was made up of her state pension, a small additional pension, and some self-employment income. However, she had also been including housing benefit, of which she received £3,000 per year, not realising that this income is not taxable.

Tess's friend informed her that she had been completing her tax returns incorrectly, so Tess reached out to TaxAid. Upon investigation it turned out that the same mistake had been made on her tax returns for the three years previous.

We were able to request an amendment to her tax return. This was accepted by HMRC and Tess received a refund for £1,064.63. She now understands not to include housing benefit and is able to complete her tax return accurately. It's a simple fix, but one that has saved Tess from increased financial hardship, she now has received a refund of her tax overpayment and will be paying less in tax each year going forward.

Our digital support and its impact

One of the consequences of the pandemic is the acceleration of the digitalisation of many government services including the tax administration system. As a consequence, during the year we worked with our sister charity, Tax Help for Older People and our partner Deloitte LLP to understand digital exclusion in our beneficiary group. A report published by the Centre for Ageing Better notes that 'Digital inclusion is not just about being online, it's also about building skills and confidence'.

We are working on how our services need to adapt to support our beneficiaries manage in an increasingly digital environment, but in the in meantime we recognise that some of our beneficiaries already choose to interact with us digitally. Our yearly page views are 1,208,122, yearly web users, 840,263 and total social media users, 3,234.

Our beneficiaries and their needs

According to the IFS's annual report into living standards, poverty and inequality, in 2018, two thirds (68%) of working age adults in poverty live in a household where at least one adult is in work, and this proportion has never been higher. This means that the needs of our service are growing, as more people in poverty find themselves in work, potentially facing tricky tax problems.

The Joseph Rowntree Foundation report on Poverty in the UK in 2023 reports that working age adults living in poverty are more likely to suffer from poor health more broadly and evidence suggests low income is associated with potential symptoms of anxiety, such as lack of sleep, lacking energy and feelings of depression. Calls to our helpline provide evidence of the health issues associated with vulnerability and poverty.

Annie's Story

When Annie sent an email enquiry she had a debt to HMRC of just over £17,000, built up from late filing penalties and determinations, arising from a time in which she had been self-employed. During the period that the debt had been accumulating she was in a vulnerable position; in an abusive relationship, living with bi-polar disorder and anxiety, and moved home over 35 times. TaxAid were able to bring her tax records up to date, make the appropriate claims and appeals and eliminate the liability to HMRC. Annie was delighted with the result:

"Thank you for your emails I cannot begin to describe the sense of relief I feel and I thank you so much for what you have done for me.

This is all such brilliant news. My other debts are very small in comparison and now that I have control of my own money I will be able to repay them over the next couple of years, it's achievable now and I can work towards becoming debt free.

Wow I still can't believe this I feel so lucky and so relieved."

Our advocacy and its impact

TaxAid has a positive and cooperative relationship with HMRC, built over many years for the benefit of those we support. We share the trends that we see on the helpline and help to provide HMRC with an understanding of the barriers people in poverty can experience when trying to overcome tax problems.

We attend workshops and consultation discussions, participate in forums, and other meetings with HMRC, and we are able to better advocate for our beneficiaries because of this close mutually beneficial relationship. Our relationship with HMRC ensures they will alert us when they plan to communicate on certain issues, where these issues will be likely to lead to more queries on our helpline. We can then be ready with help, guidance, and reassurance for those who are most in need.

We want to ensure that the tax issues that are specific to people in poverty are brought to the attention of HMRC, to drive the change and action that can help resolve these issues in the long-term.

Our work with our charity partners and its impact

In August 2022 we started a project to increase the number of referrals from the voluntary and community sector (VCS), working with our partner charity Tax Help for Older People. We knew that other charities, community organisations, local authorities, social prescribers, faith-based organisations, housing associations, pension providers, and debt advisory bodies were speaking to people with tax problems but it wasn't always obvious where they could get help.

We needed to make sure that we kept our beneficiaries' needs and best interests at the heart of our work. We looked at how we communicated about our services, staff, and volunteers, and how they provide assistance with tax issues whilst still being compassionate and aware to each beneficiary's specific needs.

To this end we undertook outreach with VCS organisations all across the UK, from homelessness charities in London, to Age Friendly organisations in Londonderry, from Citizen's Advice advisers in Exeter to social prescribers in Birmingham. In total we have delivered twenty presentations on our work to more than 400 advisers, sign posters, and guiders all across the UK.

TaxAid UK

Trustees' Report

Our volunteers and their impact

Our volunteers are the lifeblood of our organization, they are tax professionals who want to give something back to society using their expert tax knowledge to do so. We are incredibly lucky to have such a brilliant team of volunteers supporting our beneficiaries, their work is invaluable and greatly appreciated by the people they help:

> *'I am extremely grateful to TaxAid. Thanks to them, my affairs are in order again and I feel confident dealing with HMRC. I've learned a lot of technical lessons in the process and feel well-equipped to deal with my tax-affairs into the future. What a relief!' – (Google review)*

Financial review

Summary of position

The statement of Financial Activities for the year on page 13 shows a surplus of income over expenditure in the year of £62,154 (2021/22 – surplus £58,050). Expenditure increased by around £85,000 but this was more than matched by an increase in income of around £89,000 (excluding donated services and facilities).

Income

The support from our corporate partners grew by 55% thanks to significant increases from PWC and KPMG.

HMRC funding comprised the second year of its three-year grant period.

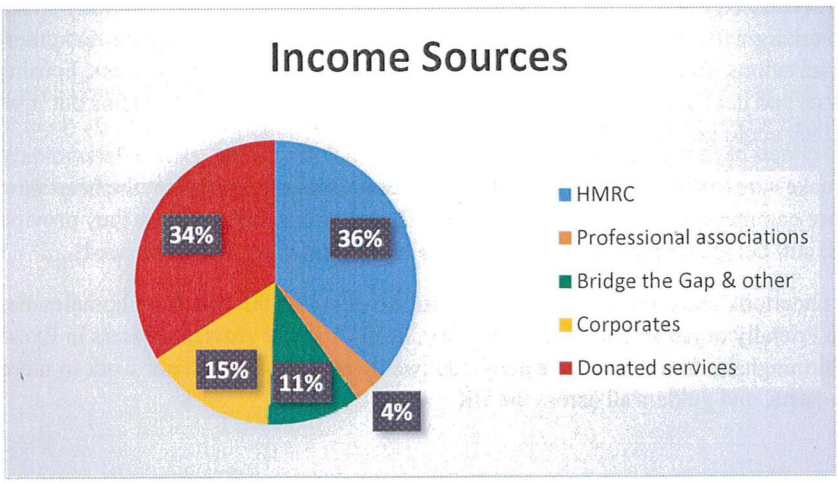
TaxAid received funding from the CIOT & ATT (Association of Taxation Technicians) with the specific purpose of advancing tax education.

In September 2022 a group of tax professionals climbed Kilimanjaro which was an extreme challenge and raised around £28,000 for the Bridge the Gap campaign (shared 50:50 with TaxAid).

In the light of the cost-of-living crisis, funding applications took longer than usual to be considered given the pressure on trusts and foundations.

Face-to-face events were again limited. However we continued to generate income through virtual CPD events, made possible by the generosity of the CIOT (Chartered Institute of Taxation).

The total income from each source is shown below.



Expenditure

Expenditure in the year ended 31 March 2023 (excluding donated services and facilities) amounted to £682,480, an increase of 14% over the previous year. This was primarily due to increased staff costs which reflect the need to pay higher salaries in the light of inflation; and recruitment to develop links with potential referral partners.

Reserves

The free reserves at 31 March 2023 are £331,222 (2021/22 £280,718) which is more than five months' expected expenditure for the current year. This position is in line with our reserves policy which is to:

- Provide stability and the means for the development of the charity's principal objects; and
- In the long term, achieve a sufficient level of readily realisable fixed assets investments to provide a cushion equivalent to three to six months' operating cash expenditure.

Risk

The risks are managed by the periodic monitoring of the risk register which identifies the key risks and plans their mitigation.

The primary risk facing the charity is financial instability created by the uncertainty around medium- to long-term funding. This arises from receiving substantial funding from one source, HMRC, but this is mitigated by diversifying income streams.

Our financial management procedures include the preparation of an annual budget and forecast with quarterly reporting against budget provided to the Board.

The trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

Structure, governance and management

The charity is managed by the Board of Trustees which meets quarterly. The Board delegates day to day management to the Chief Executive and the Senior Management Team.

The directors of the charitable company are its trustees for the purposes of charity law. The names of the trustees who were in office during the year are listed on page 1. All members of the Trustee Board gave their time voluntarily and received no benefits from the charity.

The total number of trustees must not be less than three and no more than ten. New trustees are identified with the necessary specialist expertise and appropriate charitable, commercial, tax and legal experience to enrich the standing Board and are given induction and training by the current post holders. Trustees shall retire by rotation in accordance with the provisions of the Memorandum and Articles of association. Any person so retiring shall be eligible for reappointment as a trustee.

Day-to-day management is delegated to our Chief Executive who is supported by the Senior Management Team whose responsibility is to work to the strategic plan which contains business, financial and service objectives.

TaxAid continues to work closely with Tax Help for Older People and the two charities have a joint Senior Management Team. In addition to the cost-efficiencies achieved through sharing back office services, this facilitates synergy between them.

Remuneration for key management is set with reference to market rates for similar roles and responsibilities in the charitable sector, taking account of geographical differences.

TaxAid UK

Trustees' Report

Disclosure of information to auditor

Each trustee has taken the required steps to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of TaxAid UK for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 11/12/23 and signed on its behalf by:

.....

Kevin Nicholson (Chair)

TaxAid UK

Independent Auditor's Report to the Members of TaxAid UK

Opinion

We have audited the financial statements of TaxAid UK (the 'charity') for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of TaxAid UK

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the (set out on page), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report to the Members of TaxAid UK

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thompson Jenner LLP

Mr David Tucker (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

1 Colleton Crescent
Exeter
Devon
EX2 4DG

Date: 12/12/23

TaxAid UK

Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

2023	Note	Unrestricted £	Restricted £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	289,761	-	289,761
Charitable activities	4	382,937	454,578	837,515
Investment income	5	295	-	295
Total Income		672,993	454,578	1,127,571
Expenditure on:				
Charitable activities	6	(622,489)	(442,928)	(1,065,417)
Total Expenditure		(622,489)	(442,928)	(1,065,417)
Net income		50,504	11,650	62,154
Net movement in funds		50,504	11,650	62,154
Reconciliation of funds				
Total funds brought forward		280,718	1,609	282,327
Total funds carried forward	18	331,222	13,259	344,481

2022	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	204,224	-	204,224
Charitable activities	4	285,087	450,816	735,903
Total Income		489,311	450,816	940,127
Expenditure on:				
Charitable activities	6	(430,184)	(451,893)	(882,077)
Total Expenditure		(430,184)	(451,893)	(882,077)
Net income/(expenditure)		59,127	(1,077)	58,050
Net movement in funds		59,127	(1,077)	58,050
Reconciliation of funds				
Total funds brought forward		221,591	2,686	224,277
Total funds carried forward	18	280,718	1,609	282,327

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 18.

TaxAid UK

(Registration number: 03374001)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	1,581	1,757
		1,581	1,757
Current assets			
Debtors	13	221,575	139,956
Cash at bank and in hand	14	250,251	242,535
		471,826	382,491
Creditors: Amounts falling due within one year	15	(128,926)	(101,921)
Net current assets		342,900	280,570
Net assets		344,481	282,327
Funds of the charity:			
Restricted		13,259	1,609
Unrestricted income funds			
Unrestricted		331,222	280,718
Total funds	18	344,481	282,327

The financial statements on pages 13 to 30 were approved by the trustees, and authorised for issue on 11/12/23 and signed on their behalf by:

Kevin Nicholson
Chair and trustee

TaxAid UK

Statement of Cash Flows for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		62,154	58,050
Adjustments to cash flows from non-cash items			
Depreciation		1,080	1,784
Investment income	5	(295)	-
		62,939	59,834
Working capital adjustments			
(Increase)/decrease in debtors	13	(81,619)	32,811
Increase/(decrease) in creditors	15	27,004	(3,436)
Net cash flows from operating activities		8,324	89,209
Cash flows from investing activities			
Interest receivable and similar income	5	295	-
Purchase of tangible fixed assets	12	(904)	(1,122)
Sale of tangible fixed assets		1	-
Net cash flows from investing activities		(608)	(1,122)
Net increase in cash and cash equivalents		7,716	88,087
Cash and cash equivalents at 1 April		242,535	154,448
Cash and cash equivalents at 31 March		250,251	242,535

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The charity is incorporated in England and Wales and its registered office is 30 Monck Street, London, SW1P 2AP.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

TaxAid UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income recognised in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services, professional qualified tax personnel or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations of gifts, services and facilities include seconded employees, IT software and office space. Seconded staff's services are provided free of charge to the charity and the cost of their salary is incurred by a third party. IT software and office space are included at their estimate market value when donated.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the personnel involved with each activity.

Advice services	77%
Tax education	7%
Cost of raising funds	9%
Governance costs	7%

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

The Coronavirus Job Retention Scheme grant has been credited to other income so as to match the grant to the underlying eligible furloughed staff expenditure to which it relates.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line
Fixtures and fittings	6 years straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations
The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from professional firms and supporters	174,000	174,000
Other donations	115,761	115,761
Total for 2023	289,761	289,761
Total for 2022	204,224	204,224

Summary of donations from professional firms and supporters

	2023 £	2022 £
Deloitte	30,000	30,000
EY	20,000	20,000
KPMG	40,000	20,000
PWC	60,000	20,000
Fujitsu	20,000	20,000
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
	174,000	114,000

Other donations includes 50% of the following amounts greater than £3,000 from organisations received through Bridge The Gap. This is a joint initiative set up by TaxAid UK and its sister charity Tax Help For Older People, whereby amounts received are split equally between the two charities.

	2023 £	2022 £
Deloitte	14,352	13,146
Freshfields	-	9,986
Kathleen Beryl Sleigh Charitable Trust	5,000	5,000
London Legal Support	3,537	4,176
Norton Rose	5,000	-
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
Virtual CPD Events	18,882	25,210

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Advice services				
HM Revenue & Customs	-	411,183	411,183	409,600
Donations of gifts, services and facilities	382,937	-	382,937	285,087
University of Edinburgh	-	1,745	1,745	-
Manchester University	-	-	-	1,216
	382,937	412,928	795,865	695,903
Tax education				
Chartered Institute of Taxation	-	30,000	30,000	30,000
Association of Taxation Technicians (ATT)	-	11,650	11,650	10,000
	-	41,650	41,650	40,000
Income from charitable activities 2023	382,937	454,578	837,515	735,903
Income from charitable activities 2022	285,087	450,816	735,903	

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	295	295	-

6 Expenditure on charitable activities

	Cost of raising funds	Advice services	Education	Governance costs	Support costs	2023 Total	2022 Total
	£	£	£	£	£	£	£
Staff costs	33,771	258,916	22,514	22,514	225,143	562,858	483,498
Gifts in kind	-	382,937	-	-	-	382,937	285,087
Premises and other costs	3,664	28,093	2,443	2,443	24,427	61,070	64,364
Website, ICT and equipment costs	2,360	18,095	1,573	1,573	15,734	39,335	31,923
Legal, insurance and professional	682	5,232	455	455	4,550	11,374	13,322
Communication and travel	298	2,287	199	199	1,987	4,970	2,991
Other costs	389	-	-	-	300	689	892
Research and consultancy	-	-	-	2,184	-	2,184	-
	41,164	695,560	27,184	29,368	272,141	1,065,417	882,077
Support costs	24,493	209,548	19,050	19,050	(272,141)	-	-
Governance costs	4,842	39,703	3,873	(48,418)	-	-	-
Total expenditure 2023	70,499	944,811	50,107	-	-	1,065,417	882,077
Total expenditure 2022	62,402	788,886	30,789	-	-	882,077	

£622,489 (2022 - £430,184) of the above expenditure was attributable to unrestricted funds and £442,928 (2022 - £451,893) to restricted funds.

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Operating leases - other assets	(36,923)	(30,000)
Audit fees	(6,000)	(6,000)
Depreciation of fixed assets	(1,080)	(1,784)

8 Trustees remuneration and expenses

No trustees, nor any persons connected with any trustee, has received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	477,087	421,528
Social security costs	43,213	39,285
Pension costs	15,815	15,967
Other staff costs	26,743	6,718
	562,858	483,498

The monthly average number of persons (including senior management team) employed by the charity during the year was 18 (2022 - 15).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Raising funds	0.6	0.6
Advice services	4.7	4.5
Tax education	0.4	0
Support	4.1	4.9
Governance	0.4	0.3
	10.3	10.3

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £43,332 (2022 - £36,949).

10 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	6,000	6,000

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2022	648	23,423	24,071
Additions	-	904	904
Disposals	-	(20,785)	(20,785)
At 31 March 2023	648	3,542	4,190
Depreciation			
At 1 April 2022	513	21,801	22,314
Charge for the year	108	972	1,080
Eliminated on disposals	-	(20,785)	(20,785)
At 31 March 2023	621	1,988	2,609
Net book value			
At 31 March 2023	27	1,554	1,581
At 31 March 2022	135	1,622	1,757

13 Debtors

	2023 £	2022 £
Trade debtors	150,621	70,621
Prepayments and accrued income	53,659	53,782
Other debtors	17,295	15,553
	221,575	139,956

14 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	333	333
Cash at bank	249,918	242,202
	250,251	242,535

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,057	35,531
Other taxation and social security	20,991	17,803
Other creditors	78,470	21,347
Accruals and deferred income	28,408	27,240
	128,926	101,921

	2023 £	2022 £
Deferred income at 1 April 2022	15,250	15,250
Resources deferred in the period	-	-
Amounts released from previous periods	(7,750)	-
Deferred income at year end	7,500	15,250

Deferred income relates to the BTG Gala Dinner which was cancelled as a result of Covid-19. The remaining balance is to be carried forward to enable attendance at a future event.

16 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Land and buildings		
Within one year	9,000	-

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £15,815 (2022 - £15,967).

18 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
General				
General	278,961	672,089	(621,409)	329,641
Designated				
Capital depreciation	1,757	904	(1,080)	1,581
Total unrestricted funds	280,718	672,993	(622,489)	331,222
Restricted funds				
Governance	1,071	-	-	1,071
Advice services	538	412,928	(412,928)	538
Tax education	-	41,650	(30,000)	11,650
Total restricted funds	1,609	454,578	(442,928)	13,259
Total funds	282,327	1,127,571	(1,065,417)	344,481

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General				
General	220,249	488,189	(429,477)	278,961
Designated				
Capital depreciation	1,342	1,122	(707)	1,757
Total unrestricted funds	221,591	489,311	(430,184)	280,718
Restricted				
Governance	1,071	-	-	1,071
Advice services	1,615	410,816	(411,893)	538
Tax education	-	40,000	(40,000)	-
Total restricted funds	2,686	450,816	(451,893)	1,609
Total funds	224,277	940,127	(882,077)	282,327

The specific purposes for which the funds are to be applied are as follows:

Advice services
This fund represents income which is for delivering the main charitable purpose of TaxAid UK, that of advising low income clients and the generalist voluntary sector on tax matters.

Tax education
This fund represents income provided to improve access to information on tax so that those on low incomes are aware of their rights and responsibilities under the tax system. It is delivered through training, printed material and guides, and the TaxAid UK website.

Designated funds
The designated fund represents the net book value of assets purchased from unrestricted funds to be depreciated in the future.

19 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	1,581	-	1,581
Net Current assets	329,641	-	13,259	342,900
Total net assets	329,641	1,581	13,259	344,481

	Unrestricted funds		Restricted funds	Total funds at 31 March 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	1,757	-	1,757
Net Current assets	278,961	-	1,609	280,570
Total net assets	278,961	1,757	1,609	282,327

20 Analysis of net funds

	At 1 April 2022	Financing cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	242,535	7,716	250,251
Net debt	242,535	7,716	250,251

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	154,448	88,087	242,535
Net debt	154,448	88,087	242,535

21 Related party transactions

Donations were received from KPMG, where Victoria Heard is a partner. The total of these donations amount to £40,000 (2022 - £20,000).

Donations were received from PWC, where Kevin Nicholson was then a partner. The total of these donations amount to £60,000 (2022 - £20,000).

Donations were received from Deloitte, where Matthew Ellis was then a partner. The total of these donations amounted to £32,785 (2022 - not a related party).

Donations were received from Trustees during the year totalling £12,220 (2022 - £10,000). These donations were shared with Tax Help For Older People. No restrictions have been attached to these donations.

TaxAid UK operated the payroll on behalf of Tax Help For Older People during the year. Payroll costs for the year and recharged from TaxAid UK to Tax Help For Older People totalled £441,225 (2022- £437,297). No amounts were outstanding at the year end in respect of payroll costs.

During the year, net income totalling £92,672 (2022 - £86,769) was collected by TaxAid UK on behalf of Tax Help For Older People. At the year end, the amount due to Tax Help For Older People, included in other creditors in the financial statements, was £36,277 (2022 - £10,693). A further £37,520 (2022 - £3,157) included within other creditors is due to Tax Help For Older People in relation to recharged shared costs and £23,461 (2022 - £8,674) included within debtors is due from Tax Help For Older People in relation to recharged shared costs.

TAXAID UK

England & Wales - Charity number 1062852

Accounts

Company registration number: 03374001

Charity registration number: 1062852

TaxAid UK

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

TaxAid UK

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TaxAid UK

Reference and Administrative Details

Chairman	Stephen Banyard
Trustees	Francesca Lagerberg Kevin Nicholson Jonathan Peacock QC Paul Morton Emma Clarke Nicholas Edwards Victoria Heard
Chief Executive Officer	Valerie Boggs
Charity Registration Number	1062852
Company Registration Number	03374001
Registered Office	30 Monck Street London SW1P 2AP
Auditor	Thompson Jenner LLP Statutory Auditors 1 Colleton Crescent Exeter Devon EX2 4DG
Bankers	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA

TaxAid UK

Chairman's Report for the Year Ended 31 March 2022

TaxAid approaches its 30th anniversary seeing the need for its services greater than when it was founded. A more complex tax system and a harsher, more complex working environment are contributary factors which make tax more difficult for our vulnerable clients. More timeless are the causes of their vulnerability, including mental health problems, learning difficulties or loss of their business - and above all, poverty and their inability to pay for the professional tax support they need. TaxAid continues to provide that essential support, helps resolve the issue and lifts a huge burden from their shoulders.

The help needed by our clients changes with time and TaxAid adapts its approach accordingly. During the coronavirus pandemic, we introduced new services to support clients struggling to apply for essential government income support grants. The charity also worked closely with HMRC when it saw a significant rise in the number of our clients adversely affected by rogue, high-volume tax repayment companies and we are pleased HMRC launched a consultation during the year to explore ways to address this. For the future, Making Tax Digital in 2024 will present a huge challenge to vulnerable people affected and the charity has been researching and developing new services to support our clients through this radical change in the tax system. This will be a major focus for the charity in the coming years.

To deliver our services, TaxAid works closely with many other organisations and has been strengthening those relationships. Our partnership with Tax Help for Older People is fundamental in this and our shared New Advice Model has released resources to work with our partners in the corporate volunteering programme. The two charities remain distinct, with different client bases and needs but wherever there is scope we work together. We also hugely value our individual volunteers who give their time regularly to work the more complex cases; and our growing number of corporate volunteering partners who have joined our programme which enables their employees to use their specialist skills and training to support vulnerable people.

TaxAid's work with its clients is funded from a variety of sources, mainly within the tax world. A key component comes from HMRC who awarded an increased grant and for 3 years, starting in 2020/21, which has enabled much better forward planning. We had another successful year with our Bridge the Gap Campaign, which is joint with Tax Help for Older People and is an appeal to individuals and firms in the tax profession. The pandemic meant that fund raising activities mainly had to be online again but we had notable successes with this including our CPD seminars, and we would like to thank CIOT, who hosted and ran them, and the many leaders in the profession who gave their time freely to lecture at them.

In some ways the second year of the pandemic was a greater challenge than the first. Valerie Boggs, our CEO and her managers and staff have done a superb job in maintaining the service to our clients while continuing with the change programme and planning for the future challenges. We are proud of what they have achieved and grateful to them for their commitment and service to their clients.

We would also like to express our appreciation of TaxAid's many supporters across the profession. First to mention is HMRC - we value the close working relationship with them which benefits our vulnerable clients. We are grateful too for the wide-ranging support we receive from Deloitte, PwC, BDO, Blick Rothenberg, KPMG, EY, Fujitsu, Absolute Accounting, RELX, PTP, Slaughter and May, Freshfields, MacFarlanes, Norton Rose, MacQuarie, CIOT, ATT, The Worshipful Company of Tax Advisers, Women in Tax, and the many volunteers who carry forward the Bridge the Gap Campaign.

.....

Stephen Banyard (Chairman)
Dated: 12.12.22

TaxAid UK

Trustees' Report

The trustees, who are directors for the purpose of company law, present the annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 March 2022. Reference and administrative information set out on page 1 forms part of this report. The charity is a company limited by guarantee and a registered charity, its governing documents are its memorandum and articles of association.

The charity's formal objectives are:

- To provide advice and assistance in tax and financial matters to persons in financial need
- To advance public education about all aspects of tax and tax debt

Public benefit and how our activities deliver it

We have a duty to report on our organisation's public benefit under S.4 of the Charities Act 2011. We are confident that we meet those public benefit requirements having taken into consideration the Charity Commission guidance.

Our vision is: 'To provide tax advice to all who need it' We aim to achieve this by delivering the appropriate support to those in poverty, whether financial or by reference to other vulnerabilities, who would otherwise be unable to access help with tax problems. The assistance provided ranges from the provision of education through our third sector partners, to support on our helpline and our digital materials. We believe therefore that we meet the public benefit requirements through this comprehensive range of activities, delivered through different channels to maximise the numbers of people that we can help.

Our work with HMRC, as detailed below, illustrates the breadth of the benefit of our work across the wider public, beyond those who make direct contact with us.

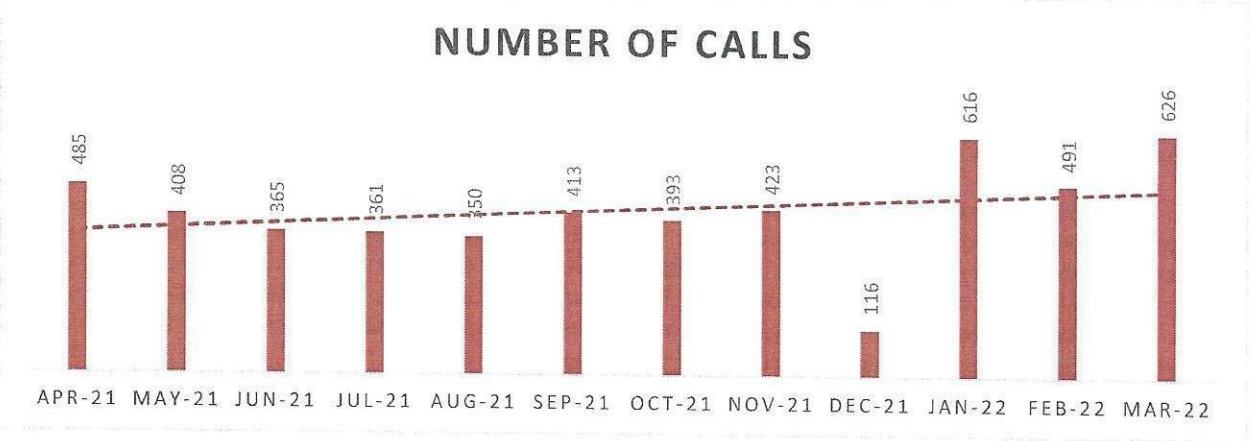
Objectives, activities and impact

TaxAid provides a unique service offering free, expert and independent tax help and advice direct to vulnerable, disadvantaged, people in need. Our aim is to help them understand, manage and regain control over their tax finances and their lives and release them from the debilitating stresses and anxieties of their pressing tax burdens and debts. To meet this objective our resources are focused on providing a service that is easily accessible and meets the specific needs of our taxpayers. The activity we undertake to achieve this and its impact is detailed below, together with the impact of our learning from the last 2 years on our planned activity in the future.

Linda, a single mother of two teenagers and a carer for her own mother, who has dementia, is a personal trainer. She called HMRC when she was going through the process of making a claim for the SEISS grant late in the COVID period, but in doing so found out that she had an outstanding debt on her account of £1,600. She called TaxAid because she had no means to pay the debt and needed help. TaxAid went one step further than supporting her to negotiate a payment plan, and instead worked with HMRC to establish why the debt existed. As for so many who call, the debt arose from penalties charged for the late filing of a tax return. On an earned income of £5,000 per year, penalties of £1,600 represented 32 % of Linda's annual income and therefore she did not have the means to pay the debt. Linda's financial circumstances are typical of those living in poverty, without savings, an unexpected financial liability results in difficult decisions around paying debts or rent or food or energy bills.

The reality of living in poverty as Linda does, is typical of the financial circumstances of callers to the helpline. And those, like Linda, who are single parents are more likely to live in poverty. According to the IFS's annual report into living standards, poverty and inequality, funded by the Joseph Rowntree Foundation; in the year prior to the pandemic, nearly half (49%) of children in lone-parent families were in relative poverty. Yet poverty is not confined to single parent families. According to the same IFS report, around two thirds (68%) of working age adults in poverty live in a household where at least one adult is in work and this proportion has never been higher.

So while in the past we may have associated poverty with being out of work, poverty is not confined to those who are out of work. In addition, financial pressures in the labour market that drive down costs have often increased the complexity of the mechanisms to engage workers. The number of people in England and Wales who said that they performed work they had found via an online platform at least once a week grew from 5.8% of the working population in 2016 to 11.8% in 2019, rising to 14.7% in 2021.[1] And alongside the flexibility of online platforms comes responsibility and the need to manage meeting, often changing, obligations to HMRC, frequently under self employment or a combination of employment and self employment. The challenges of living on a low wage and managing complex engagement in the labour market is reflected in the increasing demand on TaxAid's helpline observed at the end of the financial year.



The challenge of poverty is not confined to the UK, studies have shown that COVID increased the divide between rich and poor across the world. As there seems to be a general consensus that the most disruptive phase of the pandemic is behind us, we strive to support those experiencing poverty and changing work patterns as the labour market adjusts post pandemic. As the calls increase we looking forward in our service delivery plans to harness the best of what was learned during the pandemic as well as looking at how we can maximise the benefits of digital options among our beneficiary groups.

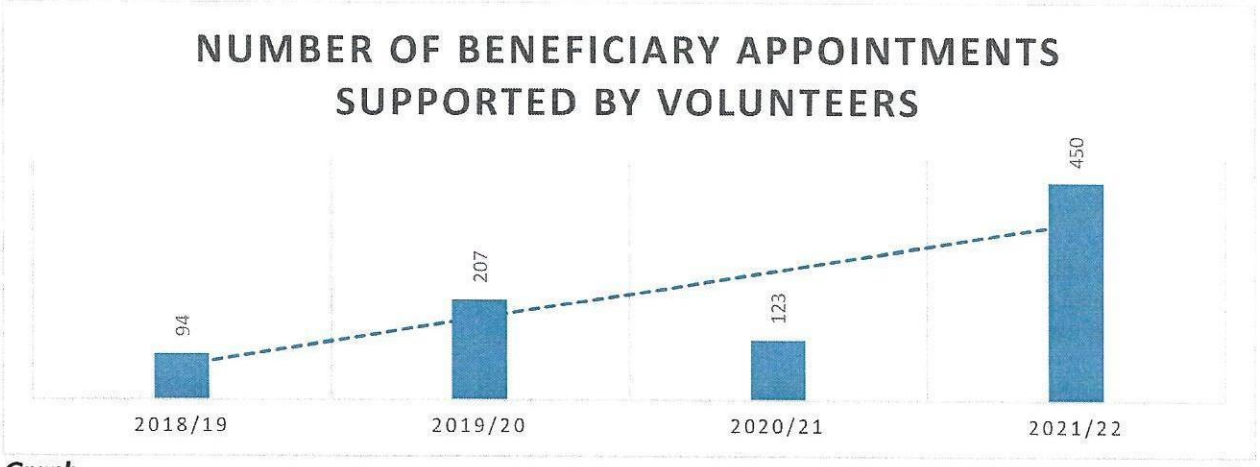
HMRC have indicated that they may have been able to get help to more of those in poverty by COVID grants if the annual compliance process had provided more contemporaneous and digital data. While this was not available in 2020, HMRCs plans are to increase their use of digital channels including launching Making Tax Digital for Income Tax Self assessment for the self employed and landlords. For TaxAid beneficiaries there are opportunities to benefit from digital record keeping and quarterly submission of figures to HMRC, but there are practical problems, such as the availability hardware, cost of data allowances and choice, functionality, cost and availability of software. Our plans are to develop our delivery model based on our beneficiary need and to ensure that we understand this we are carrying out research with our beneficiary groups as well as taking learning from our experience during COVID.

While planning to benefit from the best of the digital opportunities, our focus will remain our beneficiaries, the individuals for whom our personal service can be a life saver. To provide Linda with the support she needed, TaxAid's service was delivered by a volunteer, Alice, an employee of EY LLP who participates in the corporate volunteering programme.

The corporate volunteering programme, piloted in 2019 and since extended to 5 firms, has grown exponentially in the level of support that can be provided, showing an increase of 378% across the last 4 years. This is despite

[1] UNISON – Evidence to the Low Pay Commission, June 2022.

the initial challenge of operating a new volunteering model, some of which delivered in person face to face meetings when first developed, through the pandemic year.



Graph

While the programme helped over 450 people like Linda, last year, the benefits are not confined to the beneficiaries, the volunteers also benefit.

"Through TaxAid I have met people who have been unwell, who don't speak any English, who have found themselves in a situation, through no fault of their own, having fallen foul of the tax system. We have the advice that they need to get them where they need to be and sort themselves out and it's nice to see the difference between when somebody comes and they are very nervous and don't know what to do and when you give them the solution, just how much happier and more relaxed they are" Sharon, KPMG Manchester

And TaxAid's corporate volunteering programme also provides an additional resource. A group from PWC in Birmingham and Cardiff supported TaxAid at a stand at the AccountingWeb Live Expo in December 2021, creating awareness of the impact that TaxAid can have on the lives of its beneficiaries in the wider tax community. In addition in May the same PWC team created awareness in the third sector through a local community event in Birmingham during volunteering week.

The benefit to our beneficiaries of collaborative working is not confined to working with corporate volunteers. TaxAid works closely with Tax Help for Other People, where staff, experienced in working with older vulnerable taxpayers triage calls for TaxAid, increasing efficiency and the effectiveness of our use of resources. This reduces the marginal cost of each call and enables us to ensure that our help can reach more of the people who need it.

To increase our reach further TaxAid also work closely with HMRC, from submitting responses to consultation papers, attending workshops, participating in forums as well as attending meetings, all with the purpose of ensuring that all taxpayers can benefit from the knowledge of the tax issues that are specific to vulnerable people in poverty as well as providing HMRC with an understanding of the barriers that people experience when trying to overcome these.

Financial review

Summary of position

The statement of Financial Activities for the year on page 13 shows a surplus of income over expenditure in the year of £58,050 (2020/21 – surplus £37,466). The surplus was achieved by managing costs, despite a fall in income. The year end position showed an increase in unrestricted reserves to 5 months cash expenditure.

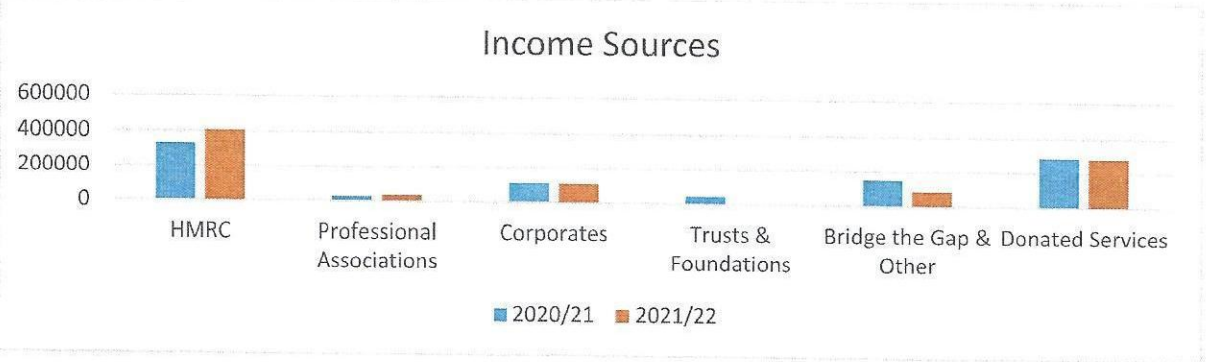
Income

The total cash income amounted to £655,040 (2020/21 £676,800). The reduction, amounting to £21,760 reflected the increased difficulty of continuing to raise funds directly from supporters through virtual events and appeals in the second year of the pandemic.

TaxAid had been successful in receiving strong support to its appeal for funding in the first year of the pandemic, and in the 2021/22 were again supported strongly by the Chartered Institute of Taxation (CIOT), and the Association of Taxation Technicians (ATT), focussing on the objective to advance tax education. They continued to receive support from the tax profession including a donation from the Worshipful Company of Tax Advisers.

In this, the second year of the pandemic, it was still not possible to plan or attend face to face fundraising events and the fundraising campaign, run for the joint benefit of Tax Volunteers and TaxAid, also found that the enthusiasm to run and attend virtual fundraising events had diminished. This trend applied not only to charity organised events, but also to those of our corporate supporters. However, the routine of delivering a programme of virtual CPD events, started in 2020/21 was continued successfully in 2021/22. As a result of these factors the net position was an overall reduction in the income to the Bridge the Gap campaign,

The total income from each source is shown below.



Expenditure

Expenditure in the year ended 31 March 2022 (excluding donated services and facilities) amounted to £596,990, 6.6% less than the previous year (£639,334). This reduction in expenditure was planned and expenditure on recruitment frozen in the second six months of the year when the difficulty of hitting target from virtual events other than CPD events was clear. This maintained the surplus position but delayed anticipated development in the charity.

As the hybrid working model developed the decision was taken to reduce the size of the office, as well as acquire facilities that better provided for the needs of hybrid working and a new lease was arranged from June 2022, by sub letting space in the offices of the Chartered Institute of Taxation.

The continued COVID restrictions limited the previous face to face volunteer support and pro bono support from the tax profession, but as noted above the corporate volunteering model grew and maintaining the value of support received by gifts in kind.

Supporting staff during the pandemic and recognising the valuing of their critical contribution to the success of the charity was a key objective and as result TaxAid became a Living Wage Employer in 2022, joining over 11,000 UK businesses who believe their staff deserve a wage which meets everyday needs - like the weekly shop, or a surprise trip to the dentist. In addition TaxAid also established a career pathway to provide staff support to take the first steps in a career in tax, the cost of these initiatives included in the budgeted costs.

Reserves
The free reserves at 31 March 2022 are £280,718 (2020/21 £221,591) which is just over 5 months expected expenditure for the current year. This position is in line with our reserves policy which is to:

- Provide stability and the means for the development of the charity's principal objects; and
- In the long term, achieve a sufficient level of readily realisable fixed assets investments to provide a cushion equivalent to six months' operating expenditure.

Risk

The risks are managed by the periodic regular monitoring of the risk register which identifies the key risks and plans their mitigation.

The primary risk facing the charity is financial instability created by the uncertainty around medium- to long-term funding. This arises from receiving substantial funding from one source, HMRC, but is mitigated by diversifying income streams and being in receipt of three years of funding through to 31 March 2024.

Our financial management procedures include the preparation of an annual budget and forecast with quarterly reporting against budget provided to the Board.

Structure, governance and management

The charity is managed by the Board of Trustees which meets quarterly. The Board delegates day to day management to the Chief Executive and the Senior Management Team.

The directors of the charitable company are its trustees for the purposes of charity law. The names of the trustees who were in office during the year are listed on page 1. All members of the Trustee Board gave their time voluntarily and received no benefits from the charity. No expenses were claimed from the charity by the members of the Board of Trustees from the charity.

The total number of trustees must not be less than three, but is not subject to any maximum. New trustees are identified with the necessary specialist expertise and appropriate charitable, commercial, tax and legal experience to enrich the standing Board and are given induction and training by the current post holders. To this end in November 2021, we were delighted to appoint to the board Emma Clarke, CEO at Weston Park Cancer Charity and Nick Edwards, Chief Digital Officer at the AA. Trustees shall retire by rotation in accordance with the provisions of the Memorandum and Articles of association. Any person so retiring shall be eligible for reappointment as a trustee.

Day-to-day management is delegated to our Chief Executive who is supported by the Senior Management Team whose responsibility is to work to the strategic plan which contains business, financial and service objectives.

TaxAid continues to work closely with Tax Help for Older People and the two charities have a joint Senior Management Team. In addition to the cost-efficiencies achieved through sharing back office services, this facilitates synergy between them.

Remuneration for key management is set with reference to market rates for similar roles and responsibilities in the charitable sector, taking account of geographical differences.

Disclosure of information to auditor

Each trustee has taken the required steps to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of TaxAid UK for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 12.12.22 and signed on its behalf by:

.....

Stephen Banyard (Chairman)

TaxAid UK

Independent Auditor's Report to the Members of TaxAid UK

Opinion

We have audited the financial statements of TaxAid UK (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of TaxAid UK

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chairman's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the (set out on page), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Mr David Tucker (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

1 Colleton Crescent
Exeter
Devon
EX2 4DG

Date: 21/12/22

TaxAid UK

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

2022	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	204,224	-	204,224
Charitable activities	4	285,087	450,816	735,903
Total Income		489,311	450,816	940,127
Expenditure on:				
Charitable activities	5	(430,184)	(451,893)	(882,077)
Total Expenditure		(430,184)	(451,893)	(882,077)
Net income/(expenditure)		59,127	(1,077)	58,050
Net movement in funds		59,127	(1,077)	58,050
Reconciliation of funds				
Total funds brought forward		221,591	2,686	224,277
Total funds carried forward	17	280,718	1,609	282,327

2021	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	242,838	22,224	265,062
Charitable activities	4	292,670	409,738	702,408
Total Income		535,508	431,962	967,470
Expenditure on:				
Charitable activities	5	(491,888)	(438,116)	(930,004)
Total Expenditure		(491,888)	(438,116)	(930,004)
Net income/(expenditure)		43,620	(6,154)	37,466
Net movement in funds		43,620	(6,154)	37,466
Reconciliation of funds				
Total funds brought forward		177,971	8,840	186,811
Total funds carried forward	17	221,591	2,686	224,277

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 17.

TaxAid UK

(Registration number: 03374001)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	1,757	2,419
		1,757	2,419
Current assets			
Debtors	12	139,956	172,767
Cash at bank and in hand	13	242,535	154,448
		382,491	327,215
Creditors: Amounts falling due within one year	14	(101,921)	(105,357)
Net current assets		280,570	221,858
Net assets		282,327	224,277
Funds of the charity:			
Restricted		1,609	2,686
Unrestricted income funds			
Unrestricted		280,718	221,591
Total funds	17	282,327	224,277

The financial statements on pages 13 to 30 were approved by the trustees, and authorised for issue on 12.12.22 and signed on their behalf by:

.....
Stephen Banyard
Chairman

.....
Paul Morton
Trustee

TaxAid UK

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		58,050	37,466
Adjustments to cash flows from non-cash items			
Depreciation		1,784	2,776
		59,834	40,242
Working capital adjustments			
Decrease/(increase) in debtors	12	32,811	(83,703)
Decrease in creditors	14	(3,436)	(43,473)
Net cash flows from operating activities		89,209	(86,934)
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(1,122)	(515)
Net increase/(decrease) in cash and cash equivalents		88,087	(87,449)
Cash and cash equivalents at 1 April		154,448	241,897
Cash and cash equivalents at 31 March		242,535	154,448

All of the cash flows are derived from continuing operations during the above two periods.

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The charity is incorporated in England and Wales and its registered office is 30 Monck Street, London, SW1P 2AP.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

TaxAid UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements. In addition, the trustees do not consider it to cast any significant doubt upon the charity's ability to continue as a going concern.

The trustees have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 including managing cash flow to ensure that debts can be paid when they fall due, managing staffing levels and monitoring key donor and supplier activity. The trustees have implemented a robust system of procedures and controls in order to deal with any associated risks.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income recognised in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services, professional qualified tax personnel or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations of gifts, services and facilities include seconded employees, IT software and office space. Seconded staff's services are provided free of charge to the charity and the cost of their salary is incurred by a third party. IT software and office space are included at their estimate market value when donated.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the personnel involved with each activity.

Advice services	79%
Tax education	5%
Cost of raising funds	10%
Governance costs	6%

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

The Coronavirus Job Retention Scheme grant has been credited to other income so as to match the grant to the underlying eligible furloughed staff expenditure to which it relates.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line
Fixtures and fittings	6 years straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from professional firms and supporters	114,000	-	114,000
Other donations	90,224	-	90,224
Total for 2022	204,224	-	204,224
Total for 2021	242,838	22,224	265,062

Summary of donations from professional firms and supporters

	2022 £	2021 £
Deloitte	30,000	30,000
E&Y	20,000	20,000
KPMG	20,000	20,000
PWC	20,000	20,000
Fujitsu	20,000	20,000
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
	114,000	114,000

Other donations includes 50% of the following amounts greater than £3,000 from organisations received through Bridge The Gap. This is a joint initiative set up by TaxAid UK and its sister charity Tax Help For Older People, whereby amounts received are split equally between the two charities.

	2022 £	2021 £
BDO LLP	-	12,647
Deloitte	13,146	11,831
Freshfields	9,986	9,920
Kathleen Beryl Sleigh Charitable Trust	5,000	20,000
London Legal Support	4,176	-
Slaughter and May	-	4,950
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
Virtual CPD Events	25,210	-

4 Income from charitable activities

	Unrestricted funds			
	General £	Restricted funds £	Total 2022 £	Total 2021 £
Advice services				
HM Revenue & Customs	-	409,600	409,600	336,818
Donations of gifts, services and facilities	285,087	-	285,087	290,670
City Bridge	-	-	-	7,250
The National Lottery Community Fund	-	-	-	35,670
Shanly Foundation	-	-	-	2,000
Manchester University	-	1,216	1,216	-
	285,087	410,816	695,903	672,408
Tax education				
Chartered Institute of Taxation	-	30,000	30,000	20,000
Association of Taxation Technicians (ATT)	-	10,000	10,000	10,000
	-	40,000	40,000	30,000
Income from charitable activities 2022	285,087	450,816	735,903	702,408
Income from charitable activities 2021	292,670	409,738	702,408	

5 Expenditure on charitable activities

	Cost of raising funds	Advice services	Education	Governance costs	Support costs	2022 Total	2021 Total
	£	£	£	£	£	£	£
Staff costs	29,010	241,749	14,505	19,340	178,894	483,498	530,360
Gifts in kind	-	285,087	-	-	-	285,087	290,670
Premises and other costs	3,862	32,181	1,931	2,575	23,815	64,364	61,808
Website, ICT and equipment costs	1,915	15,961	958	1,277	11,812	31,923	33,275
Legal, insurance and professional	799	6,661	400	533	4,929	13,322	10,744
Communication and travel	180	1,494	90	120	1,107	2,991	2,012
Other costs	455	-	-	-	437	892	1,135
Research and consultancy	-	-	-	-	-	-	-
	36,221	583,133	17,884	23,845	220,994	882,077	991,812
Support costs	22,099	174,585	11,050	13,260	(220,994)	-	-
Governance costs	4,082	31,168	1,855	(37,105)	-	-	-
Total expenditure 2022	62,402	788,886	30,789	-	-	882,077	991,812
Total expenditure 2021	76,138	817,311	36,555	-	-	930,004	

£430,184 (2021 - £491,888) of the above expenditure was attributable to unrestricted funds and £451,893 (2021 - £438,116) to restricted funds.

6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Operating leases - other assets	(30,000)	(30,000)
Audit fees	(6,000)	(6,120)
Depreciation of fixed assets	(1,784)	(2,776)

7 Trustees remuneration and expenses

No trustees, nor any persons connected with any trustee, has received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	421,528	479,552
Social security costs	39,285	35,974
Pension costs	15,967	14,454
Other staff costs	6,718	380
	483,498	530,360

The monthly average number of persons (including senior management team) employed by the charity during the year was 15 (2021 - 15).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Raising funds	0.6	0.9
Advice services	4.5	6.0
Tax education	0	0.4
Support	4.9	3.3
Governance	0.3	0.4
	10.3	11.0

During the year, the charity accrued redundancy and/or termination payments which totalled £Nil (2021 - £4,842).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £36,949 (2021 - £37,800).

9 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	6,000	6,120

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2021	648	22,301	22,949
Additions	-	1,122	1,122
At 31 March 2022	648	23,423	24,071
Depreciation			
At 1 April 2021	405	20,125	20,530
Charge for the year	108	1,676	1,784
At 31 March 2022	513	21,801	22,314
Net book value			
At 31 March 2022	135	1,622	1,757
At 31 March 2021	243	2,176	2,419

12 Debtors

	2022 £	2021 £
Trade debtors	70,621	70,000
Prepayments and accrued income	53,782	35,095
Other debtors	15,553	67,672
	139,956	172,767

13 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	333	333
Cash at bank	242,202	154,115
	242,535	154,448

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	35,531	11,325
Other taxation and social security	17,803	9,961
Other creditors	21,347	34,468
Accruals and deferred income	27,240	49,603
	101,921	105,357

	2022 £	2021 £
Deferred income at 1 April 2021	15,250	36,250
Resources deferred in the period	-	7,500
Amounts released from previous periods	-	(28,500)
Deferred income at year end	15,250	15,250

Deferred income relates to the BTG Gala Dinner which was cancelled as a result of Covid-19. The remaining balance is to be carried forward to enable attendance at a future event.

15 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Land and buildings		
Within one year	-	30,000

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £15,967 (2021 - £14,454).

17 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General				
General	220,249	488,189	(429,477)	278,961
Designated				
Capital depreciation	1,342	1,122	(707)	1,757
Total unrestricted funds	221,591	489,311	(430,184)	280,718
Restricted funds				
Governance	1,071	-	-	1,071
Advice services	1,615	410,816	(411,893)	538
Tax education	-	40,000	(40,000)	-
Total restricted funds	2,686	450,816	(451,893)	1,609
Total funds	224,277	940,127	(882,077)	282,327

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General				
General	176,522	534,993	(491,266)	220,249
Designated				
Capital depreciation	1,449	515	(622)	1,342
Total unrestricted funds	177,971	535,508	(491,888)	221,591
Restricted				
Governance	1,071	-	-	1,071
Advice services	7,769	401,962	(408,116)	1,615
Tax education	-	30,000	(30,000)	-
Total restricted funds	8,840	431,962	(438,116)	2,686
Total funds	186,811	967,470	(930,004)	224,277

The specific purposes for which the funds are to be applied are as follows:

Advice services
This fund represents income which is for delivering the main charitable purpose of TaxAid UK, that of advising low income clients and the generalist voluntary sector on tax matters.

Tax education
This fund represents income provided to improve access to information on tax so that those on low incomes are aware of their rights and responsibilities under the tax system. It is delivered through training, printed material and guides, and the TaxAid UK website.

Designated funds
The designated fund represents the net book value of assets purchased from unrestricted funds to be depreciated in the future.

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	1,757	-	1,757
Net Current assets	278,961	-	1,609	280,570
Total net assets	278,961	1,757	1,609	282,327

	Unrestricted funds		Restricted funds	Total funds at 31 March 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	1,342	1,077	2,419
Net Current assets	220,249	-	1,609	221,858
Total net assets	220,249	1,342	2,686	224,277

19 Analysis of net funds

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	154,448	88,087	242,535
Net debt	154,448	88,087	242,535

	At 1 April 2020	Financing cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	241,897	(87,449)	154,448
Net debt	241,897	(87,449)	154,448

20 Related party transactions

A donation was received from KPMG, where Melissa Geiger is a partner. The total of these donations amount to £20,000 (2021 - £23,000).

Donations were received from PWC, where Kevin Nicholson is a partner. The total of these donations amount to £20,000 (2021 - £23,000). PWC also provided professional advice on a pro bono basis.

A donation was received from Grant Thornton, where Francesca Lagerberg is a partner. The total of these donations amounted to £nil (2021 - £250).

A donation of £10,000 (2021 - £10,000) was received from Jonathan Peacock.

TaxAid UK operated the payroll on behalf of Tax Volunteers during the year. Payroll costs for the year and recharged from TaxAid UK to Tax Help For Older People totalled £437,297 (2021- £nil). No amounts were outstanding at the year end in respect of payroll costs.

TaxAid UK and Tax Help For Older People had previously recharged remuneration in relation to some staff with duties and responsibilities for both TaxAid UK and Tax Help For Older People through the service company Tax Volunteers Service Company Limited, a related party by virtue of S Banyard and K Thomas being directors of both companies. This arrangement ceased at 31 March 2021 and no salary costs were recharged in this way in the year ended 31 March 2022 (2021 £133,564).

During the year, net income totalling £86,769 (2021 - £120,000) was collected by TaxAid UK on behalf of Tax Help For Older People. At the year end, the amount due to Tax Help For Older People, included in other creditors in the financial statements, was £10,693 (2021 - £30,000). A further £3,157 (2021 - £6,928) included within other creditors (2021 accruals) is due to Tax Help For Older People in relation to recharged shared costs and £8,674 (2021 - £60,172) included within debtors is due from Tax Help For Older People in relation to recharged shared costs.

TAXAID UK

England & Wales - Charity number 1062852

Accounts

Company registration number: 03374001

Charity registration number: 1062852

TaxAid UK

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

TaxAid UK

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TaxAid UK

Reference and Administrative Details

Chairman	Stephen Banyard
Trustees	Francesca Lagerberg Kevin Nicholson Jonathan Peacock QC Kevin Thomas, Treasurer Melissa Geiger Paul Morton
Chief Executive Officer	Valerie Boggs
Registered Office	Unit 2 33 Stannary Street London SE11 4AA
Company Registration Number	03374001
Charity Registration Number	1062852
Bankers	CAF Bank Limited Kings Hill West Malling Kent ME19 4TA
Auditor	Thompson Jenner LLP Statutory Auditors 1 Colleton Crescent Exeter Devon EX2 4DG

TaxAid UK

Chairman's Report for the Year Ended 31 March 2021

The coronavirus pandemic brought major economic as well as health issues in March 2020, with many people on low incomes losing their livelihood. TaxAid responded rapidly to the changed needs of its clients by launching a new Coronavirus Service - which helped over 6,000 people apply for essential government income support. Later in the year we launched another new service needed, to help these people complete their Tax Returns. At the same time, and along with many other organisations, the charity itself moved - overnight - to working from home and without loss or reduction of service.

Looking forward, our goal is to serve more clients and, with our sister charity TaxHelp for Older People, we have devised a new Advice Model to achieve this. During the year we continued to maintain good progress in implementing this, key milestones including the introduction of a new cloud-based client CRM system, which has enabled the introduction of a triage approach to telephone requests for help, and the use of new volunteer teams in large professional firms to supplement our individual volunteers. Another key element of this programme has been to change the roles of our Kennington based team who will be supporting the volunteer teams and taking forward our outreach ambitions as well as working the more difficult client cases - with the first response to clients being provided from Bridport.

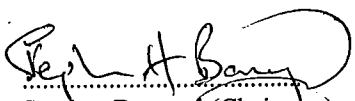
The new Advice Model also needs closer working with our colleagues in Tax Help for Older People and during the year we signed a Collaboration Agreement with them to provide a framework for this. The two charities remain distinct, with different client bases (and needs) and separate control but wherever there is scope, we work closely together.

During the year we were delighted to welcome Tahaba Mughal as Operations manager.

The work with our clients has been funded in a variety of ways from across the tax profession. An important element of this has come through a grant from HMRC. Our grant bid for the next three years included projects to extend the reach of our services and to support vulnerable people through the transition to Making Tax Digital in 2024. Encouragingly, HMRC have made a further, and increased, grant award to us for these 3 years from April 2021.

We had another strong year's fund-raising for our Bridge the Gap campaign which is an appeal to the tax profession, and is joint with Tax Help for Older People. In response to the lockdown, we introduced a number of new virtual events which, together with magnificent support from our loyal supporters, helped us raise a further £240,000 during the year. We would particularly like to thank the CIOT and many individual tax leaders who gave their time to lecture in our new and very successful fund raising CPD events.

This has been a demanding year for our CEO and all her staff. They have been fantastic in meeting all the challenges. We would like to extend our huge appreciation to them for their commitment to our clients and to the charity. We are also grateful to our many friends and supporters from across the profession for their help and support in many ways, pro bono and financial. Our sincere thanks goes to Deloitte, EY, PwC, KPMG, Fujitsu, BDO, Absolute Accounting, Macfarlanes, Slaughter and May, Freshfields, CIOT, ATT, The Worshipful Company of Tax Advisers and Women in Tax. We have been fortunate to have the support of our Bridge the Gap team - our Patron, Steve Edge, the Ambassadors and volunteers who have carried the campaign forward so well in the last year. Finally, we would like to make a particular mention of HMRC - we work closely with them and value this relationship as it benefits in particular the vulnerable clients we all seek to serve.



Stephen Banyard (Chairman)
Dated: 26/10/21

TaxAid UK

Trustees' Report

The trustees, who are directors for the purpose of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021. Reference and administrative information set out on page 1 forms part of this report. The charity is a company limited by guarantee and a registered charity, its governing documents are its memorandum and articles of association.

The charity's formal objectives are:

- To provide advice and assistance in tax and financial matters to persons in financial need
- To advance public education about all aspects of tax and tax debt

Public benefit and how our activites deliver it

We have a duty to report on our organisation's public benefit under S.4 of the Charities Act 2011. We are confident that we meet those public benefit requirements having taken into consideration the Charity Commission guidance.

Our vision is: 'To provide tax advice to all who need it' We aim to achieve this by delivering the appropriate support to those in poverty, whether financial or by reference to other vulnerabilities, who would otherwise be unable to access help with tax problems. The assistance provided ranges from the provision of tax education through our third sector partners, to support on our helpline, our printed and digital materials, and includes our face to face meetings for the beneficiaries most in need. We believe therefore that we meet the public benefit requirements through this comprehensive range of activities, delivered through different channels to maximise the numbers of people that we can help.

In addition we work with HMRC to increase their awareness of the specific tax issues that impact our beneficiary demographic, with the purpose of ensuring that our knowledge and understanding of the tax administration system, as it impacts unrepresented taxpayers with the lowest incomes, can benefit the wider public, beyond those who make direct contact with us.

Objectives, activities and impact

Objectives

TaxAid provides a unique service offering free, expert and independent tax help and advice direct to vulnerable, disadvantaged, people in need. Our aim is to help them understand, manage and regain control over their tax finances and their lives and release them from the debilitating stresses and anxieties of their pressing tax burdens and debts. To meet this objective our resources are focused on providing a service that is easily accessible and meets the specific needs of our taxpayers. The activity we undertake to achieve this and its impact is detailed below.

Our core activity

When the first lockdown was announced on 16 March 2020, our helpline and email support service continued without interruption using our home-based advisers, who answered calls from 9am - 5pm Monday to Friday, at the same service level as had been possible in the office. Some beneficiaries preferred to communicate by post and we maintained this service through post redirection. We had to follow government guidance, to maintain the safety of our volunteers and beneficiaries, and so it was not possible to continue with our face-to-face appointments. We soon discovered how resourceful and flexible our beneficiaries and volunteers had become as they adapted to delivering services by telephone appointments, post and email. As a result, we were able to help over 4,000 people in the year ended 31 March 2021.

Of particular note this year has been the impact of the additional support HMRC's debt management teams have provided taking into account taxpayers' financial circumstances. While a review of the level of debt that our callers have shows an increase of 20% in the year of the pandemic to 31 August 2021, when compared to the previous 12 month period, it was noted that in the 12 month period prior to the pandemic 66% of the debt was remitted whereas in the 12 month period to 31 August 2021, 88% of the debt was remitted. In addition, as a further reflection of HMRC responsiveness to changing personal circumstances in the earlier year penalties made up 43% of the debt, but this dropped to 33% in the 12 months ended 31 August 2021.

In a year of so much change and uncertainty, our beneficiaries were immensely grateful for the continued delivery of our core service and the reassurance we bring to anxious and distressed taxpayers.

"I am extremely grateful to TaxAid. Thanks to them, my affairs are in order again and I feel confident dealing with HMRC. I've learned a lot of technical lessons in the process and feel well-equipped to deal with my tax-affairs into the future. What a relief!"

Coronavirus Support Service

The HMRC Self Employment Support Scheme (SEISS) was announced on 26 March 2020. On 9th April 2020, working in collaboration with our sister charity, Tax Help for Older People, we launched our coronavirus support service to help our beneficiaries access the first and subsequent SEISS grants. The initial launch was accompanied by the production of training videos and we are very grateful for the support of our corporate partner, Deloitte, who assisted in the production of these videos. Cognisant of our need to maximise our use of digital channels, we extended our reach more quickly into our beneficiary group than ever before by increasing our use of social media with considerable success as shown below.

Increased engagement with beneficiaries on social media promoting the Coronavirus Support Line	% Increase
Page likes	367%
Profile visits	400%
Tweets	1460%
Facebook reach	1761%
Tweet impressions	3072%

Our Coronavirus support service included providing guidance on whether the caller was eligible for support, what steps they needed to follow to make a SEISS claim, and how to dispute the outcome where relevant if they were unsuccessful.

In addition, we provided a tax return completion service for those who had not previously successfully submitted their 2018/2019 tax return, so that they could meet the deadline of 23rd April. We submitted 43 tax returns in two weeks from calls initiated on our coronavirus helpline line. We also provided guidance and support to many others to enable them to submit their own returns. We achieved this with our staff teams at Tax Help for Older People and TaxAid with the support of two secondees from our corporate partner, EY, who started their 6-month secondment in March 2020. They adapted quickly and enthusiastically to provide this essential service so that our beneficiaries could receive the SEISS grant. Across all communication media, the coronavirus support service reached 6,000 people in the first eight weeks.

We received a myriad of messages of appreciation, including the one below from a caller who had tried and failed to submit his return online. Our staff worked after hours to submit the return on the day of the deadline and the grateful beneficiary tweeted

> "I could never have done this without you, I had pretty much given up all hope before calling you"

Recognising the value of this service and rapidly changing needs, in September 2020 we launched our 2019/20 tax return completion service, which enables our beneficiaries to keep up to date with their tax return filing obligations and to plan for their tax liabilities as they fall due. To ensure that we maximised the numbers we could help, we ran a radio campaign focusing on regional stations in targeted areas in addition to our web-based publicity.

Finally, we knew from several studies undertaken during the pandemic that those without digital access were disadvantaged when accessing help during the crisis. Therefore, to ensure that all who needed help could access it, we contacted those frontline face-to-face centres which had remained open and received our regular digital newsletters to inform and advise our third sector partners.

Our wider activity to benefit society

The impact of our work is not limited to one-to-one interaction with our callers.

We have a wealth of information on our website and produce several booklets to support our beneficiaries, including a booklet on managing tax debt and how to access your personal tax account and submit your tax return online. These are made available on our website as well as to our partners. We can provide them to third parties on request and distribute them to the third sector as needed.

We provide tax-awareness sessions and in the last year we delivered virtual tax awareness sessions when requested. In addition we provide tax update newsletters to support our partners in the third sector so that they can make relevant referrals.

Using our knowledge to further benefit society, we participate in a variety of meetings with HMRC some of which, such as the Assisted Needs Working Group, have a particular focus on the problems faced by the demographic of our beneficiaries.

Volunteers

Our work is only possible because of the passion and commitment of our volunteers.

The opportunities for some of our volunteers to provide support to beneficiaries was significantly diminished during the year. Government restrictions prevented face-to-face meetings most of the year, nonetheless our volunteers adapted quickly to new ways of working as we implemented telephone appointments across our volunteer base including the volunteers participating in our corporate programmes and our student led tax clinics at Manchester University, Lancaster University and University of Central Lancashire.

The extraordinary efforts of our volunteers was appreciated by our beneficiaries. For example:

"Thank you so much for your wonderful volunteer team's help. I am so grateful 🤗. It's amazing to have this support when I am struggling so much with depression and anxiety. I really don't know what I would have done without TaxAid."

Financial review

Summary of position

The statement of Financial Activities for the year on page 14 shows a surplus in the year of £37,466 (2019/20 - deficit £15,633). This increase in the surplus reflects the success of the emergency appeal made to supporters in the first months of the pandemic and increased corporate support. This increase to unrestricted reserves is particularly welcome because a survey by Pro Bono Economics reveals that '83% of charities now forecast a decline in their income over the next 12 months"

Income

TaxAid responded to the pandemic by making a direct appeal to its supporters through the Bridge that Gap campaign which is run in conjunction with Tax Help for Older People. This received terrific support, providing confidence to the charity in the early months of the pandemic.

By contrast, the face-to-face events programme was cancelled throughout the year, eliminating this source of income. However we capitalised on the opportunity to secure a new income stream in the form of virtual CPD events, made possible by the generosity of the CIOT (Chartered Institute of Taxation) and our speakers who gave their time pro bono.

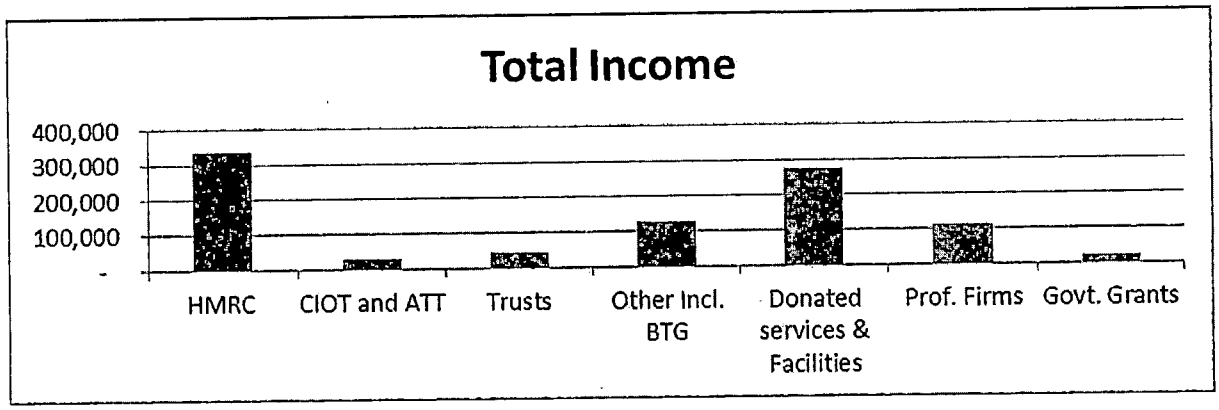
TaxAid were successful in their bid to secure funding from the competitive HMRC Grant in Aid funding made available to the voluntary sector. In contrast to previous years, the funding covers a 3 year period enabling us to plan the delivery of our services through to the end of March 2024. In addition we are excited that our funding award includes specific projects that are designed to support our beneficiary group transition to Making Tax Digital for income tax, as well as reach further into local communities.

Funding from The National Lottery enabled us to continue to deliver front-line services throughout the pandemic. In addition TaxAid received funding from the CIOT & ATT (Association of Taxation Technicians) with the specific purpose of advancing tax education in a year when understanding the taxation of changing sources of income was never more necessary.

The support from our corporate partners increased by 18%, as a result of bringing on board our new corporate partner, Fujitsu whose support in addition to the financial support has already inspired us to understand what is possible as we look forward to developing our services to help our beneficiaries interact with HMRC through digital channels.

Tax professionals have remained dedicated in their support of TaxAid during the year, maintaining their regular support of our work, responding to our emergency funding appeal and supporting us in the time they gave to our beneficiaries in new and imaginative ways. The value of both monetary and time donations accounts for 29% of our total incoming resources.

The total income from each source is shown below.



Expenditure

Expenditure in the year ended 31 March 2021 (excluding gifts in kind) amounts to £639,334 just over 3.7% less than the previous year. The move to home working resulted in slightly increased telephone and IT costs which showed a rise of 3.2% but savings were realised as a result of reduced office utility expenses and travel expenses while we delivered the same service level to beneficiaries while working at home.

Reserves

The free reserves at 31 March 2021 are £221,591 (2019/20 £177,971) which is more than 4 months anticipated expenditure for the current year. This position is in line with our reserves policy which is to:

- Provide stability and the means for the development of the charity's principal objects; and
- In the long term, achieve a sufficient level of readily realisable fixed assets investments to provide a cushion equivalent to three to six months' operating cash expenditure.

Risk

The risks are managed by the regular monitoring of the risk register which identifies the key risks and plans their mitigation.

The primary risk facing the charity is financial instability created by the uncertainty around medium- to long-term funding. This arises from receiving substantial funding from one source, HMRC, but is mitigated by diversifying income streams and being in receipt of three years of funding through to 31 March 2024.

Our financial management procedures include the preparation of an annual budget and forecast with quarterly reporting against budget provided to the Board.

Plans for the future

Our objective is 'To provide tax advice to all those who need it'. Because of the immediate financial insecurity at the start of the pandemic, our plans to develop a new advice model to meet this objective were accelerated, so that we could bring forward the potential cost efficiencies, this included a redundancy programme which we worked through in March 2021. Future plans are concentrated on increasing our capacity, and therefore the impact we can have on the most vulnerable, with a particular focus on ensuring that vulnerable people are not disadvantaged by HMRC's drive to deliver services digitally.

Going forward, our priority is our beneficiaries, who are at the core of our decision making, and we are in the initial stages of undertaking research, and working with our third-sector partners, to ensure that our referral routes and services meet their needs.

During the year, as planned, Tax Volunteers and TaxAid worked increasingly together to provide the best service to the most vulnerable, using resources cost efficiently and effectively. To facilitate the sharing of resources, the two charities entered into a collaboration agreement. Going forward the intention is that this agreement advantages the beneficiaries of both charities.

Learning from our experience in the last year we are planning to move to a hybrid working model, with our staff operating partly in the office and partly at home, which will support staff preferences while not diminishing our service delivery.

Structure, governance and management

The charity is managed by the Board of Trustees which meets quarterly. The Board delegates day to day management to the Chief Executive and the Senior Management Team.

The directors of the charitable company are its trustees for the purposes of charity law. The names of the trustees who were in office during the year are listed on page 1. All members of the Trustee Board gave their time voluntarily and received no benefits from the charity. No expenses were claimed from the charity by the members of the Board of Trustees from the charity.

The total number of trustees must not be less than three, but is not subject to any maximum. New trustees are identified with the necessary specialist expertise and appropriate charitable, commercial, tax and legal experience to enrich the standing Board and are given induction and training by the current post holders. Trustees shall retire by rotation in accordance with the provisions of the Memorandum and Articles of association. Any person so retiring shall be eligible for reappointment as a trustee.

Day-to-day management is delegated to our Chief Executive, who is supported by the Senior Management Team whose responsibility is to work to the strategic plan which contains business, financial and service objectives.

TaxAid continues to work closely with Tax Help for Older People and the two charities have a joint Senior Management Team. In addition to the cost-efficiencies achieved through sharing back office services, this facilitates synergy between them.

Remuneration for key management is set with reference to market rates for similar roles and responsibilities in the charitable sector, taking account of geographical differences.

Disclosure of information to auditor

Each trustee has taken the required steps to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 25/10/21 and signed on its behalf by:

.....
Stephen Banyard (Chairman)

TaxAid UK

Statement of Trustees' Responsibilities

The trustees (who are also the directors of TaxAid UK for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 25/10/21 and signed on its behalf by:

.....
Stephen Banyard (Chairman)

Independent Auditor's Report to the Members of TaxAid UK

Opinion

We have audited the financial statements of TaxAid UK (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of TaxAid UK

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chairman's Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing licenses, certificates and relevant correspondence including the inspection of legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Independent Auditor's Report to the Members of TaxAid UK

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Thompson Jenner LLP

.....

Mr Neil Curtis (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

1 Colleton Crescent
Exeter
Devon
EX2 4DG

Date: 29 October 2021

TaxAid UK

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

2021	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	242,838	22,224	265,062
Charitable activities	4	292,670	409,738	702,408
Total Income		535,508	431,962	967,470
Expenditure on:				
Charitable activities	5	(491,888)	(438,116)	(930,004)
Total Expenditure		(491,888)	(438,116)	(930,004)
Net income/(expenditure)		43,620	(6,154)	37,466
Net movement in funds		43,620	(6,154)	37,466
Reconciliation of funds				
Total funds brought forward		177,971	8,840	186,811
Total funds carried forward	17	221,591	2,686	224,277

2020	Note	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	236,862	-	236,862
Charitable activities	4	326,225	400,716	726,941
Total Income		563,087	400,716	963,803
Expenditure on:				
Charitable activities	5	(554,480)	(424,956)	(979,436)
Total Expenditure		(554,480)	(424,956)	(979,436)
Net income/(expenditure)		8,607	(24,240)	(15,633)
Net movement in funds		8,607	(24,240)	(15,633)
Reconciliation of funds				
Total funds brought forward		169,364	33,080	202,444
Total funds carried forward	17	177,971	8,840	186,811

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 17.

TaxAid UK

(Registration number: 03374001)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	2,419	4,680
		2,419	4,680
Current assets			
Debtors	12	172,767	89,064
Cash at bank and in hand	13	154,448	241,897
		327,215	330,961
Creditors: Amounts falling due within one year	14	(105,357)	(148,830)
Net current assets		221,858	182,131
Net assets		224,277	186,811
Funds of the charity:			
Restricted		2,686	8,840
Unrestricted income funds			
Unrestricted		221,591	177,971
Total funds	17	224,277	186,811

The financial statements on pages 14 to 31 were approved by the trustees, and authorised for issue on 25/10/21 and signed on their behalf by:

Stephen Banyard
Chairman

Kevin Thomas
Trustee

TaxAid UK

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income/(expenditure)		37,466	(15,633)
Adjustments to cash flows from non-cash items			
Depreciation		2,776	2,588
		40,242	(13,045)
Working capital adjustments			
Increase in debtors	12	(83,703)	(63,114)
(Decrease)/increase in creditors	14	(43,473)	69,570
Net cash flows from operating activities		(86,934)	(6,589)
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(515)	(1,001)
Net decrease in cash and cash equivalents		(87,449)	(7,590)
Cash and cash equivalents at 1 April		241,897	249,487
Cash and cash equivalents at 31 March		154,448	241,897

All of the cash flows are derived from continuing operations during the above two periods.

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The charity is incorporated in England and Wales and its registered office is Unit 2, 33 Stannary Street, London, SE11 4AA.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

TaxAid UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements. In addition, the trustees do not consider it to cast any significant doubt upon the charity's ability to continue as a going concern.

The trustees have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 including managing cash flow to ensure that debts can be paid when they fall due, managing staffing levels and monitoring key donor and supplier activity. The trustees have implemented a robust system of procedures and controls in order to deal with any associated risks.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income recognised in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services, professional qualified tax personnel or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations of gifts, services and facilities include seconded employees, IT software and office space. Seconded staff's services are provided free of charge to the charity and the cost of their salary is incurred by a third party. IT software and office space are included at their estimate market value when donated.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs
Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of the personnel involved with each activity.

Advice services	79%
Tax education	5%
Cost of raising funds	11%
Governance costs	5%

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

The Coronavirus Job Retention Scheme grant has been credited to other income so as to match the grant to the underlying eligible furloughed staff expenditure to which it relates.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line
Fixtures and fittings	6 years straight line

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations
The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from professional firms and supporters	114,000	-	114,000
Other donations	128,838	-	128,838
Grants, including capital grants;			
Government grants	-	22,224	22,224
Total for 2021	242,838	22,224	265,062
Total for 2020	236,862	-	236,862

Summary of donations from professional firms and supporters

	2021 £	2020 £
Deloitte	30,000	30,000
E&Y	20,000	20,000
KPMG	20,000	20,000
PWC	20,000	20,000
Fujitsu	20,000	-
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000
Other	-	1,953
	114,000	95,953

Other donations includes 50% of the following amounts greater than £3,000 from organisations received through Bridge The Gap. This is a joint initiative set up by TaxAid UK and its sister charity Tax Help For Older People, whereby amounts received are split equally between the two charities.

	2021 £	2020 £
A & O Foundation	-	10,000
BDO LLP	12,647	18,363
Deloitte	11,831	17,279
Freshfields	9,920	10,000
Kathleen Beryl Sleigh Charitable Trust	20,000	20,000
London Legal Support	-	6,025
Pump Court Tax Chambers	-	7,500
Pure Recruitment Ltd	-	5,000
Slaughter and May	4,950	10,000
Smith and Williamson	-	10,000
Tax Advisers Charitable Trust (The Worshipful Company of Tax Advisers)	4,000	4,000

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Advice services				
HM Revenue & Customs	-	336,818	336,818	334,160
Donations of gifts, services and facilities	290,670	-	290,670	315,225
City Bridge	-	7,250	7,250	29,000
Civil Service Insurance Society	-	-	-	10,000
The National Lottery Community Fund	-	35,670	35,670	-
Shanly Foundation	2,000	-	2,000	-
Sir James Knott Trust	-	-	-	4,000
University of Central Lancashire	-	-	-	1,628
Lancaster University	-	-	-	1,628
CB & HH Taylor 1984 Trust	-	-	-	1,000
	292,670	379,738	672,408	696,641
Tax education				
Chartered Institute of Taxation	-	20,000	20,000	20,000
Association of Taxation Technicians (ATT)	-	10,000	10,000	10,000
CAB West Lothian	-	-	-	300
	-	30,000	30,000	30,300
Income from charitable activities 2021	292,670	409,738	702,408	726,941
Income from charitable activities 2020	326,225	400,716	726,941	

5 Expenditure on charitable activities

	Cost of raising funds	Advice services	Education	Governance costs	Support costs	2021 Total	2020 Total
	£	£	£	£	£	£	£
Staff costs	42,429	291,698	21,214	21,214	153,805	530,360	537,098
Gifts in kind	-	290,670	-	-	-	290,670	315,225
Premises and other costs	4,945	33,995	2,472	2,472	17,924	61,808	72,781
Helpline advisers	-	-	-	-	-	-	4,477
Website, ICT and equipment costs	2,662	18,301	1,331	1,331	9,650	33,275	32,241
Legal, insurance and professional	860	5,908	430	430	3,116	10,744	9,564
Communication and travel	162	1,107	80	80	583	2,012	5,069
Other costs	470	-	-	-	665	1,135	2,895
Research and consultancy	-	-	-	-	-	-	86
	51,528	641,679	25,527	25,527	185,743	930,004	979,436
Support costs	20,432	146,737	9,287	9,287	(185,743)	-	-
Governance costs	4,178	28,895	1,741	(34,814)	-	-	-
Total expenditure 2021	76,138	817,311	36,555	-	-	930,004	979,436
Total expenditure 2020	38,190	906,663	34,583	-	-	979,436	

£491,888 (2020 - £554,480) of the above expenditure was attributable to unrestricted funds and £438,116 (2020 - £424,956) to restricted funds.

6 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2021 £	2020 £
Operating leases - other assets	(30,000)	(30,000)
Audit fees	(6,120)	(5,220)
Depreciation of fixed assets	(2,776)	(2,588)

7 Trustees remuneration and expenses

No trustees, nor any persons connected with any trustee, has received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	479,552	480,233
Social security costs	35,974	32,854
Pension costs	14,454	13,410
Other staff costs	380	10,601
	530,360	537,098

The monthly average number of persons (including senior management team) employed by the charity during the year was 15 (2020 - 15).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Raising funds	0.9	1.0
Advice services	6.0	6.5
Tax education	0.4	0.1
Support	3.3	3.1
Governance	0.4	0.2
	11.0	10.9

During the year, the charity accrued redundancy and/or termination payments which totalled £4,842 (2020 - £Nil).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £37,800 (2020 - £51,959).

9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	6,120	5,220

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2020	648	21,786	22,434
Additions	-	515	515
At 31 March 2021	648	22,301	22,949
Depreciation			
At 1 April 2020	297	17,457	17,754
Charge for the year	108	2,668	2,776
At 31 March 2021	405	20,125	20,530
Net book value			
At 31 March 2021	243	2,176	2,419
At 31 March 2020	351	4,329	4,680

12 Debtors

	2021 £	2020 £
Trade debtors	70,000	20,000
Prepayments and accrued income	35,095	61,564
Other debtors	67,672	7,500
	172,767	89,064

13 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	333	333
Cash at bank	154,115	241,564
	154,448	241,897

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	11,325	19,686
Other taxation and social security	9,961	9,508
Other creditors	34,468	77,850
Accruals and deferred income	49,603	41,786
	105,357	148,830

	2021 £	2020 £
Deferred income at 1 April 2020	36,250	-
Resources deferred in the period	7,500	36,250
Amounts released from previous periods	(28,500)	-
Deferred income at year end	15,250	36,250

Deferred income relates to the BTG Gala Dinner which was cancelled as a result of Covid-19. The remaining balance is to be carried forward to enable attendance at a future event.

15 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Land and buildings		
Within one year	30,000	30,000
Between one and five years	-	30,000
	30,000	60,000

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £14,454 (2020 - £13,410).

17 Funds

2021	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted				
General				
General	176,522	534,993	(491,266)	220,249
Designated				
Capital depreciation	1,449	515	(622)	1,342
Total Unrestricted	177,971	535,508	(491,888)	221,591
Restricted				
Governance	1,071	-	-	1,071
Advice services	7,769	401,962	(408,116)	1,615
Tax education	-	30,000	(30,000)	-
Total restricted	8,840	431,962	(438,116)	2,686
Total funds	186,811	967,470	(930,004)	224,277

2020	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted				
General				
General	168,482	562,086	(554,046)	176,522
Designated				
Capital depreciation	882	1,001	(434)	1,449
Total unrestricted	169,364	563,087	(554,480)	177,971
Restricted				
Governance	1,157	-	(86)	1,071
Advice services	5,923	370,416	(368,570)	7,769
Tax education	26,000	30,300	(56,300)	-
Total restricted	33,080	400,716	(424,956)	8,840
Total funds	202,444	963,803	(979,436)	186,811

The specific purposes for which the funds are to be applied are as follows:

Advice services
This fund represents income which is for delivering the main charitable purpose of TaxAid UK, that of advising low income clients and the generalist voluntary sector on tax matters.

Tax education
This fund represents income provided to improve access to information on tax so that those on low incomes are aware of their rights and responsibilities under the tax system. It is delivered through training, printed material and guides, and the TaxAid UK website.

Designated funds
The designated fund represents the net book value of assets purchased from unrestricted funds to be depreciated in the future.

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2021
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	1,342	1,077	2,419
Net Current assets	220,249	-	1,609	221,858
Total net assets	220,249	1,342	2,686	224,277

	Unrestricted funds		Restricted funds	Total funds at 31 March 2020
	General	Designated		
	£	£	£	£
Tangible fixed assets	-	1,449	3,231	4,680
Net Current assets	176,522	-	5,609	182,131
Total net assets	176,522	1,449	8,840	186,811

19 Analysis of net funds

	At 1 April 2020	Cash-flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	241,897	(87,449)	154,448
Net debt	241,897	(87,449)	154,448

	At 1 April 2019	Cash-flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	249,487	(7,590)	241,897
Net debt	249,487	(7,590)	241,897

20 Related party transactions

A donation was received from KPMG, where Melissa Geiger is a partner. The total of these donations amount to £23,000 (2020 - £20,000).

Donations were received from PWC, where Kevin Nicholson is a partner. The total of these donations amount to £23,000 (2020 - £22,500). PWC also provided professional advice on a pro bono basis.

A donation was received from Grant Thornton, where Francesca Lagerberg is a partner. The total of these donations amounted to £250 (2020 - £nil).

A donation of £10,000 (2020 - £8,000) was received from Jonathan Peacock. Other donations from related parties totalled £nil in the year (2020 - £381).

During the year, salary costs of £133,564 (2020 - £142,828) in relation to remuneration payable to some staff with duties and responsibilities for both TaxAid UK and Tax Volunteers, were recharged from Tax Volunteers Service Company Limited, a related party by virtue of Stephen Banyard and Kevin Thomas being directors of both companies.

During the year, net income totalling £120,000 (2020 - £118,298) was collected by TaxAid UK on behalf of Tax Help For Older People, a related party by virtue of shared CEO, Valerie Boggs. At the year end, the amount due to Tax Help For Older People, included in other creditors in the financial statements, was £30,000 (2020 - £68,298). A further £6,928 (2020 - £7,934) included within accruals (2020 trade creditors) is due to Tax Help For Older People in relation to recharged shared costs and £60,172 (2020 - £9,000) included within debtors is due from Tax Help For Older People in relation to recharged shared costs.