

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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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

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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.

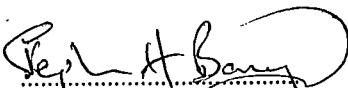
The new Advice Model also needs closer working with our colleagues in Tax Help for Older People and during the year we signed a Collaboration Agreement with them to provide a framework for this. The two charities remain distinct, with different client bases (and needs) and separate control but wherever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

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Trustees' Report

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.

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Trustees' Report

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.

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Trustees' Report

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.

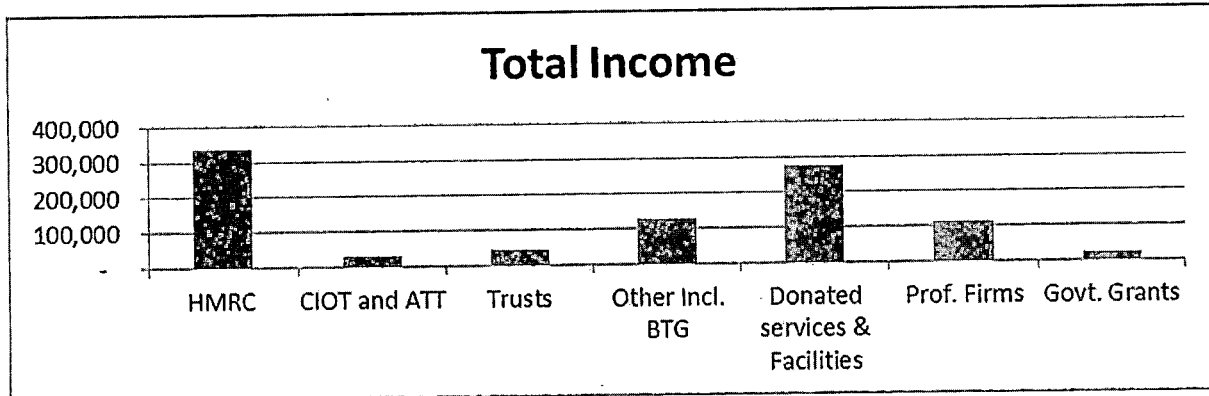
The support from our corporate partners increased by 18%, as a result of bringing on board our new corporate partner, Fujitsu whose support in addition to the financial support has already inspired us to understand what is possible as we look forward to developing our services to help our beneficiaries 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.

TaxAid UK

Trustees' Report

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.

TaxAid UK

Trustees' Report

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.

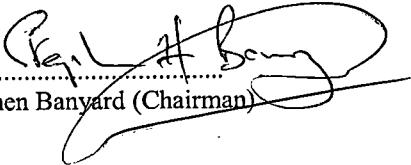
TaxAid continues to work closely with Tax Help for Older People and the two charities have a joint Senior Management Team. In addition to the cost-efficiencies achieved through sharing back office services, this facilitates synergy between them.

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^{29/10/21}..... and signed on its behalf by:


.....
Stephen Banyard (Chairman)

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Statement of Trustees' Responsibilities

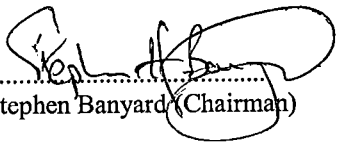
The trustees (who are also the directors of TaxAid UK for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law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