

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 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.

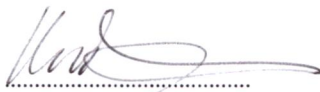
I said last year that the Charity was looking to the future. There have been four key projects this year looking at how we best meet the needs of beneficiaries in the future, how we unlock the potential to do even more with the funds available, how we work even closer with our sister charity Tax Help 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

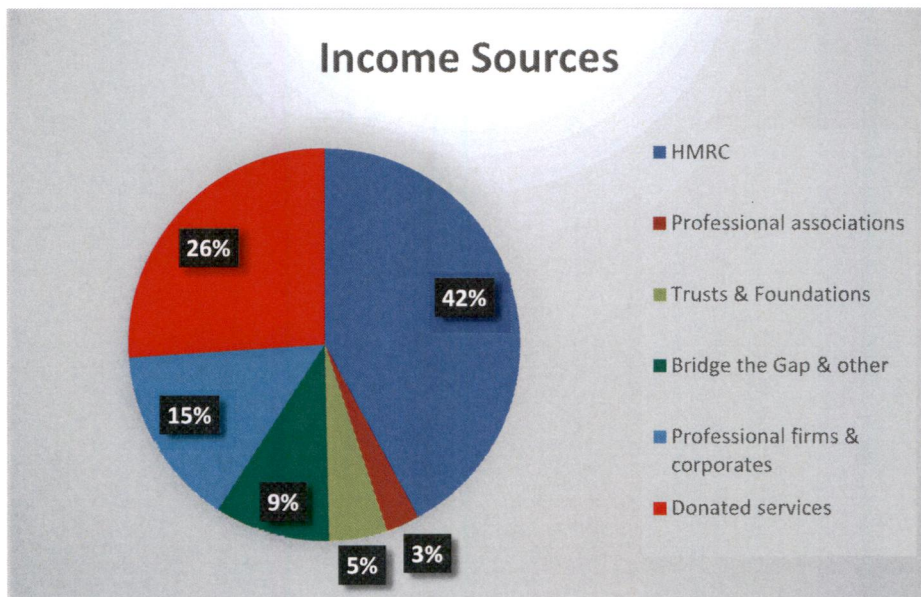
HMRC funding comprised the final year of its three-year grant period.

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.